

MPs STRIKE MOTHER LODE



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- Pension and Severance payouts for departing MPs
- What was in the Victorian Treaties?
- An Agenda for Atlantic Growth
- Ran on Empty, Fumed to Ottawa

From the editor

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Political Piracy

This, and the previous issue of The Taxpayer detail benefits Members of Parliament (MPs) have granted both themselves and their political parties.

Twelve years ago I recall one of our spokespeople on the radio discussing the federal deficit. A well-intentioned lady called into the program to suggest that maybe if MPs reformed their pensions and closed their constituency offices in the afternoons the deficit could be paid off in a few years.

Much of the early successes of this organization was in calculating (both federally and in the provinces) what benefits politicians were granting themselves including severances, pensions and other bizarre perks like getting to keep all their office furnishings after they left office. It was big news.

However, it also sheltered the public and media from focusing on the real costs of government, namely federal entitlement programs, grants and the cost of the federal bureaucracy.

If the CTF were to remain relevant as a taxpayer advocacy group — our watchdog roll would continue — but we would

also tackle the larger, more meaningful spending envelopes of government. Successive victories in reforming MLA/MPP compensation at the provincial level made it easy to move onto bigger fish. The politicians' pay issue run its course.

Or has it?

Have a look at this issue's cover story starting on page 20 that details both current and outgoing benefits for Members of Parliament. Base pay of \$141,000 (more than double the average Canadian household income) plus expenses isn't bad work if you can get it. But if it doesn't work out, after just six years you can voluntarily leave your job as an MP

and gather a \$70,500 severance package plus a pension that on average exceeds \$44,000 annually when you turn the ripe age of 55.

On the eve of the federal election call MPs fattened their outgoing benefits even further by first, extending their supplementary health and life insur-

ance coverage and second, increasing by \$5,000 for a total of \$15,000 their non-taxable and non-receiptable "resettlement allowance".

How in political tax credits that would make any legitimate charity green with envy and recent changes to the Elections Act and partisan politics in Canada has become nothing less than a welfare program.

Direct taxpayer subsidies to political parties and candidates will likely top \$57-million in 2004, that's up from \$20-million in 2000, the year of our last federal election.

Federal politicians pay and benefits again deserve the scrutiny and public anger that peaked in the early 90s. ♦

peaked in the early 90s. Excluding extended health and tax credits, taxpayers will hand an estimated \$65-million to our federal political class this year alone. It's not small change. And increasingly, it is leading to an arrogant political class so far removed from the public that it borders on kleptocracy.



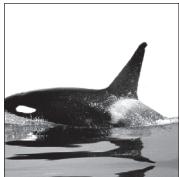
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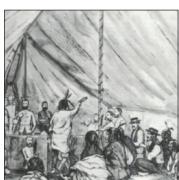
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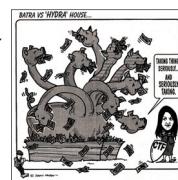
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Letters-to-the-editor

Health Care Woes

Health care is broken and in need of change. The politicians are all proposing to throw money at the system but no one is prepared to discuss [meaningful] changes.

The health care system does not seem capable of reforming itself, so some outside agency needs to bring pressure to force the required change.

The Ontario Liberal government has imposed a significant new tax to fund health care but we cannot be sure this tax revenue will find its way into health care or that our money will be wisely spent to make the system provide timely access.

I hope the Canadian Taxpayers Federation can lead the fight for a health care system that meets the needs of all Canadians.

Terry Parkinson
Windsor, Ontario

I have just returned from Chicago after spending

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Letters may be edited for length, content and clarity.

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\$90,000 Canadian to have back surgery. I was told I would have to wait three-and-a-half months to see a surgeon in Calgary. The American doctor told me I would be crippled and in pain for life if I did not receive immediate treatment.

You have to wonder who benefits from having a communist system? The unions? The medical equipment supply companies? I would love to know just how many Canadians are waiting in pain for months on a list. How many people have died because of this horrid nightmare of a system?

My mother died after five days in ICU because she could not see a kidney specialist. My sister-in-law died of cancer after being diagnosed incorrectly for gall bladder. A 27-year old woman who works in my

HR department has waited over a year with cancer in her leg. And this is only my direct experience.

Brian Sidorsky
Calgary, Alberta

Don't Just complain – Do Something!

Thank you for your on-line petition protesting the new Ontario health premium, which I have signed. I have also sent a donation toward your class action suit against Dalton McGuinty and his arrogant, unauthorized, health premium, among other broken promises.

I thank you for all your efforts — at least you guys are DOING something — the rest of us are just complaining! Go get 'em!

Cathy Smith
Pickering, Ontario

Thrown in the Towel

With deep regret I must advise you that, as of this date, I will no longer contribute in any way to your admirable attempts to inform, educate, or otherwise enlighten the Canadian public.

I had faith in my fellow Canadians and believed that if reputable, unbiased organizations thoroughly researched problem areas and laid bare actual governmental activities which disclosed mismanagement, ineptness and

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actual criminal behaviour, the Canadian public would awaken and take appropriate action.

My faith in my fellow Canadians was obviously wishful thinking. Despite the brazen lies and shattered promises of the Ontario Liberals and more seriously, the scare tactics, outright falsehoods and character assassination by their federal cousins, Ontarians in particular and the Canadian voters in general saw fit to reward the federal Liberals with a fourth successive mandate.

With two out of five eligible voters too apathetic, smugly insular or stupid to exercise their priceless franchise, I feel actual despair. Furthermore, of those who did go to the polls, I have belatedly realized that too many are so afraid of change, so timid in nature that scare tactics together with outright lies are enough to keep them cowed and subservient. What a sad commentary on what originally, a long time ago, was a strong, proud and confident nation. If the majority of eligible voters cannot see that an arrogant, corrupt and tired government must be replaced, then I for one concede defeat.

I will be taxed to support federal giveaways to innumerable groups, some of whom I hold in total contempt, others in which I

have no interest whatsoever. In addition to the usual suspects, I can now add certain political parties. If the general public so obviously looks to the federal government to solve all their problems, why should I continue to donate to hospitals, associations, federations and societies set up to combat specific ailments and diseases, to benevolent organizations, church-sponsored aid to the disadvantaged, food kitchens, food banks, etc?

In essence, I have given up the fight for accountable government and individual responsibility. One may say that such an attitude, if widespread, will only serve to make governments more arrogant and more dismissive of legitimate criticism; at this point I can only sincerely say, the Canadian public richly deserves whatever happens.

Donald J. McGee
Ottawa, Ontario

Take the Money and Run

Just read an article in our local *Record* in Sherbrooke about MP pensions and severance pay. Excellent work. Politicians do NOT see life as it truly is. If I took my pension after 12 years with Bombardier, at age 56, it would have been \$181 per month. And no severance if I voluntarily left. Ahh, but I don't get to make up

the rules!

Remember Deborah Grey when she first got elected b****ing about how immoral MP pensions were? She said she would never take an MP pension. Then she opts back in, resigns, and collects a severance of \$70,500 PLUS a pension (at 55) of \$73,940. Can I swear here?

Keep up the good work!

Paul Sharpe
Katevale, Quebec

As a Canadian taxpayer I am outraged that \$15,000 "resettlement" allowances are provided to MPs despite the fact they already receive large salaries in excess of \$140,000, severance allowances and generous pensions.

This year there are 85 MPs who will not be returning to parliament. This means that taxpayers will pay a total of \$1,275,000 in "resettlement" funds to these individuals so that they can "get back on their feet".

How does this make sense when some Canadians are actually earning less than \$15,000 a year?

Jae Park
Ottawa, Ontario

Who really pays the tax burden?

I don't know if there is a conspiracy or just a lack of understanding, but ul-

Letters-to-the-editor

timately all taxes are paid by the individual — corporate tax included. Think about it — every time you buy something, part of the price includes the company's payroll taxes, business taxes, CPP, EI contributions as well all the other expenses a business incurs. Just look at a consolidated balance sheet sometime.

The government spends tens of billions of our money to collect taxes from untold different sources, creating a huge bureaucracy in the process.

Perhaps the fairest and simplest way to tax is to eliminate everything but sales taxes which are visible and incurred every time something is bought or sold. Higher income earners tend to be higher consumers and would pay more tax, just through consumption of goods and services, making this method fair and truly progressive.

It would also be the most cost-effective way to collect taxes, saving billions in the process and giving Canadian companies a huge advantage. That would likely result in more jobs and guess what — more consuming taxpayers. The best way for a government to increase revenue is to increase the tax base. Mike

Harris almost had it right by reducing corporate tax — he should have eliminated them.

Christopher Braginetz
Chesterville, Ontario

I get tired of hearing the constant demand for more of this and that from the federal, provincial and municipal governments. I suggest we replace the names of these various bodies with "the taxpayers of Canada".

We want more and more for cities, health care, day care, infrastructure, education, unemployment, welfare, etc. Does anyone ever consider there is no tooth fairy with a printing press grinding out dollars?

We could reduce our need for tax increases if we applied more preventative medicine to our expenditures. Instead of a mental fixation to spend, spend and spend, we should look for ways to reduce waste in all levels of government. Our own city hall is demanding more from the federal government, I mean "the taxpayers of Canada." Whether it's federal, provincial, municipal, GST, PST, excise or other, it all comes out of one pocket. Let's wake up and demand more responsible government at all levels.

Ralph Earle
London, Ontario

EI Oh My

I am amazed that no one seems to have picked up on EI deductions paid by students who work part time over the course of the school year and/or for the few summer months while they are off.

My son has worked at various part time jobs like Toys R'Us, McDonald's, life guarding, Sobey's, etc. and has always had EI deducted from his income. He started when he was 15 years old while in high school working for minimum wage. He is now at university full time, but worked on Sundays through the school year and is now at Sobey's for the summer -- still working for little more than minimum wage.

Students in his position will never be able to qualify for employment insurance benefits, so why are they made to pay those premiums?

How can the federal government justify such charges and justify such a penalty on poorly paid students who need all the minimum wage money they earn for school and living expenses?

If I charged for something that I could not deliver, wouldn't it be called larceny — or extortion?

Michael J. Holubik
Toronto, Ontario

Ottawa seeks experienced 'wino'

The Public Service Commission recently accepted applications for a newly created job with the Department of Foreign Affairs and International Trade. Titled "Canadian Wine Coordinator," the temporary job will last three to six months and pay between \$5,109 and \$5,524 a month depending on one's drinking experience.

The person is expected to have a degree from a recognized university and "formal training in oenology" (a winemaker's course.) And oh, when drunk, the person will need to be able to sing well in both English and French.

No mention was made of the individual's job responsibilities, but based on the job requirements, we can assume this person will assist senior bureaucrats and diplomats in drinking more wine.

www.jobs.gc.ca/jobs/p033295e.htm

A Touch Ironic

Ironically, taxpayers are picking up the tab for a former MP accused of stealing to attend meetings sponsored by the Organization for Security and Co-operation in Europe (OSCE). Part of OSCE's mandate is to promote integrity in government.

Representatives from 55 countries attended the meetings in Edinburgh, Scotland July 5-9. Canadian taxpayers paid the full expenses for eight individuals to attend, including six MPs and Senators and two former MPs.

Each political party was allowed to choose representatives for the junket and the NDP chose former MP Svend Robinson.

This past April, Svend Robinson was charged with stealing a \$21,500 ring from a public jewelry sale sponsored by Federal Auction Services. The company's video caught the theft on tape. A few days later, Robinson returned

the ring, publicly confessed his crime and announced he would not seek re-election in the June federal election. Robinson has held the Burnaby-Douglas riding in British Columbia since 1979.

In a pathetic attempt to justify Robinson's inclusion in the junket, NDP leader Jack Layton's press secretary stated, "he has been charged but he has not been found guilty." Robinson has since pleaded guilty to the crime and received a suspended sentence.

But if that wasn't enough to get your dander up, Robinson is vice chair of an OSCE committee and his trip could have been paid for by OSCE. Instead, Robinson chose to have Canadian taxpayers foot the bill. But Robinson's benefits from the public purse doesn't stop there. When the 52-year old Robinson turns 55 he will be eligible for a taxpayer-funded pension worth \$86,663 a year.

The second non-elected member to join the group was former Liberal MP Clifford Lincoln.

with files from the *National Post* / CTF files / CBC News

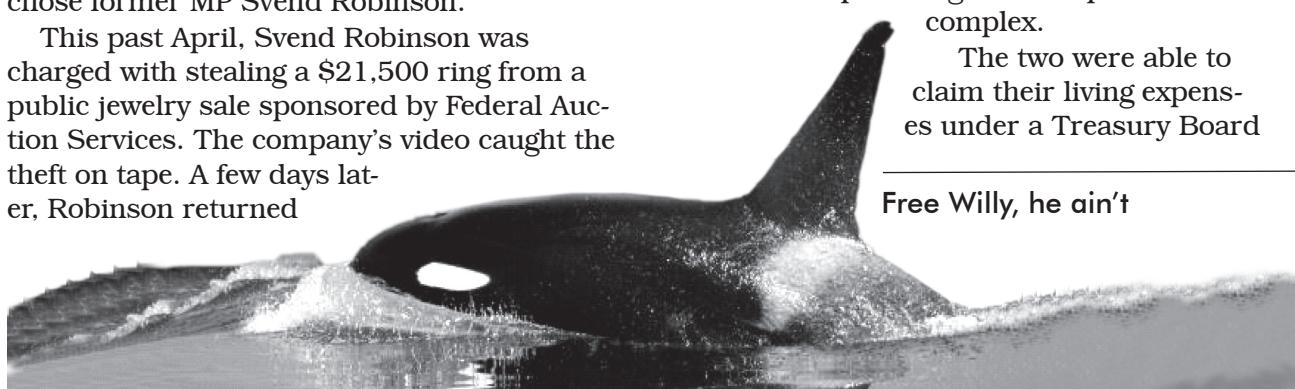
Extended Leave

In December 2003, Paul Martin appointed Toronto MP Judy Sgro to cabinet as Immigration minister. With the appointment, Sgro hired a Toronto lawyer, Ian Laird, as her chief of staff and Ihor Wons, who worked in her Toronto constituency office, as her senior policy advisor.

However, with a federal election looming both Laird and Wons were reluctant to make permanent living arrangements in Ottawa and ended up moving into an apartment-hotel complex.

The two were able to claim their living expenses under a Treasury Board

Free Willy, he ain't



Waste Watch

guideline called "extended travel status."

This provision allows bureaucrats to claim for expenses while on extended leave from their permanent location of work. Though there was no provision for claiming expenses while working in Ottawa, the Treasury Board nevertheless paid Laird and Won's expenses under this guideline.

For the first five months of this year, Wons submitted \$16,785.46 in bills for meals and accommodations while Laird submitted bills worth \$16,508.50. In contrast, MPs are only allowed to claim \$15,000 a year for meals and accommodations while living in Ottawa.

Unfortunately, this was just part of the duo's expenses for the first five months of the year. Taxpayers also forked over thousands of dollars in travel and hospitality costs. Once these were included, Laird's bill nearly doubled to \$35,560 while Wons' total jumped to \$34,750.40

With files from the *National Post*

Oh the nerve

Yves Bourbonnais, a former Immigration and Refugee Board (IRB) judge, is facing 97 criminal charges for allegedly accepting bribes. According to the RCMP, a criminal organization was charging refugee claimants between \$10,000 and \$12,000 to have refugee judges give favourable rulings allowing these claimants into the country.

Bourbonnais, who was suspended with FULL PAY in October 2001 is now suing the federal government to force Ottawa to pay his legal fees for defending himself against these charges. The federal government will pay an employee's legal fees if they encounter legal problems in the course of fulfilling their job obligations. However, IRP refused to do so in Bourbonnais' case. At that point, Bourbonnais decided to sue the feds for the money.

In preliminary hearings against Bourbonnais, federal lawyers presented 29 binders of evidence breaking down sur-

Only experienced winos need
apply

veillance reports and wiretaps the RCMP had gathered in support of their case. This included a wire tap where the former judge allegedly asked members of the criminal gang to steal his car.

With files from the *National Post*

Hiring Binge Continues

According to a report by Statistics Canada, in the month of June 2004 governments at all three levels added an additional 24,700 employees to their taxpayer-funded payrolls. This hiring binge, which has been accelerating most rapidly at the federal level since 2000, peaked this past June, resulting in the most dramatic increase in federal government hiring since these records were first tracked in 1976.

This contrasts sharply with the private sector where in the same month, unemployment increased from 7.2% to 7.3% — a loss of 6,700 private sector jobs.

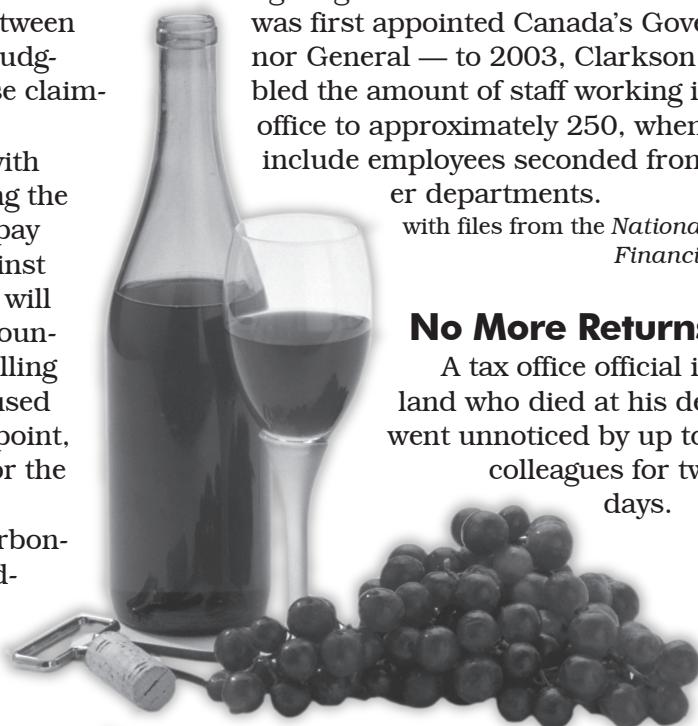
This means that while there are more federal employees, there are fewer private sector workers to pay their inflated salaries, pensions and benefit packages.

Not surprisingly, Canada's Governor General Adrienne Clarkson led the charge in this hiring binge. Between 1999 — when she was first appointed Canada's Governor General — to 2003, Clarkson doubled the amount of staff working in her office to approximately 250, when you include employees seconded from other departments.

With files from the *National Post / Financial Post*

No More Returns

A tax office official in Finland who died at his desk went unnoticed by up to 30 colleagues for two days.



Waste Watch

The man in his 60s died on a Tuesday while checking tax returns, but no-one realised he was dead until Thursday.

A Finnish newspaper reported that "co-workers had assumed the dead man — a tax auditor — was silently poring over returns." Alas, for him there will be no more returns, happy or otherwise.

with files from the BBC

Icelandic Tiger

According to Norse tradition, Iceland was populated in 870 AD after King Harold of Norway increased taxes. Viking sagas suggest the Norsemen fled to Iceland because "there men are free from assaults of kings and criminals."

Now it appears a century and a half later, the same flood is taking place, but instead of people — its money.

In 1991, David Oddsson, of Viking stock became Prime Minister of Iceland. Over the next few years, he initiated a number of reforms including institution of a flatter and lower personal income tax rate, controlled government spending and privatization.

In addition, he lowered the corporate tax rate from 48% to 18% — giving Iceland the third lowest corporate income tax rate of OECD countries. Yet despite this rate reduction, Iceland is now collecting more revenues from this tax than it did when the rate was higher. When corporate income tax rates were at 48%, revenues amounted to .97% of GDP; today revenues collected amount to 1.25% of GDP.

The reason is that these lower taxes and reforms transformed Iceland's moribund economy into a dynamic

economic engine that has grown an incredible 5% a year over the last 10 years.

Because of its low personal and corporate income taxes, Iceland has once again become a haven for those fleeing tax oppression. This has drawn the ire of high tax jurisdictions — mainly European countries — that are watching their savings and investments flee to lower taxing nations such as Iceland, Switzerland and Ireland.

The OECD and European Union have even tried to bully these low-tax jurisdictions — with threats of sanctions — into discontinuing this practice. When that failed, they offered to share tax revenues, if Iceland and others would collect taxes on their behalf from the tax refugees living in their country.

In June, Icelandic Prime Minister Oddsson speaking in Washington at the American Enterprise Institute said, "We know from experience that low taxes are a driving force behind the economy and that nothing dampens people's energy as much as watching most of the money they earn being taken away by the state."

www.techcentralstation.com

Motivated to Spend

When pop psychologist/motivational speaker Phil McGraw entered the Ottawa stage with Cher's hit song "Believe" pounding in the background, his 5000 devotees jumped to their feet to give him a welcome reminiscent of a rock star.

Better known as Dr. Phil, McGraw gained notoriety as a guest psychologist on Oprah Winfrey's TV show. McGraw used this as a stepping stone to his own syndicated program, the Dr. Phil show.

McGraw was part of a day-long motivational seminar held in the nation's capital that also featured other speakers including Ken Blanchard, author of *The One Minute Manager*. But McGraw was clearly the big draw and as such demanded and received a six figure sum for his presentation.

But according to government sources, nearly 20% of the crowd — or 800 people — were federal government employees whose fee to



Former MP flies to Scotland at taxpayers' expense.

attend the seminar was paid for by taxpayers. This included employees from the Canada Customs and Revenue Agency and Public safety. The cost for the seminar was \$229, but due to the sheer volume of attendees, Ottawa negotiated the fee down to \$189. But even with that, the total bill for the one day seminar was over \$150,000.

With files from the *Globe and Mail*

Free Willy He Ain't

When Luna, a young male killer whale showed up in BC's Nootka Sound in 2001, he was a novelty. Normally, whales travel in pods, but it seems Luna, who was travelling with an older whale — an uncle — got lost when the uncle died.

Luna's appearance drew crowds of sightseers, but as the killer whale became more accustomed to human contact his antics became increasingly dangerous.

Though he is not intentionally trying to hurt anyone, Luna does enjoy pushing boats around and scratching his back on their propellers. He has also surfaced in front of a landing pontoon plane and more recently disabled a sail boat by knocking off its rudder. As well, signals emitted by fish radar annoy Luna and he routinely knocks them off boats.

As a result, officials with federal Fisheries and Oceans Canada realized that it was time for Luna to rejoin his pod. They set a plan in motion to capture Luna and transport him by container to Peddlar Bay near Victoria. With Luna's pod located nearby, officials hoped that their calls would entice Luna to rejoin his family.

The costs for this venture was expected to be around \$500,000, with

These men are free from assaults of kings and criminals.

\$130,000 chipped in each by the Canadian and US governments and the rest from private donations. This killer-whale task force included Canadian Fisheries and Oceans boats and personnel, scientists and veterinarians, a giant trap, a large truck and killer whale food.

But these plans were thrown into disarray when a local Indian band decided that Luna was actually the embodiment of a chief who died about the same time Luna showed up.

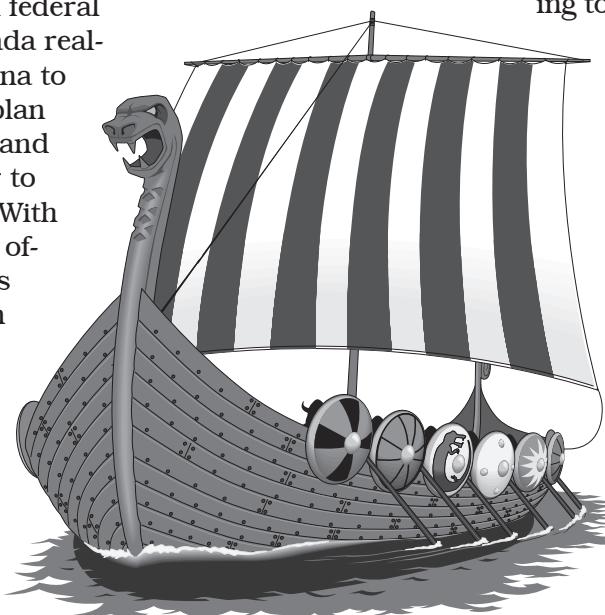
When Fisheries and Oceans set out to capture Luna, 17 members of the Mowachaht-Muchalaht arrived in traditional boats in an attempt to lure the young killer whale away from the department's boats. The capture attempt turned into a gigantic tug of war.

There were moments when department officials had Luna close to being penned, but the young killer whale treated the affair as a game and pushed fishery boats into the pen and then high-tailed it out before the trap door was closed. At one point, Luna had manoeuvred all three federal boats into the pen.

The pounding drums and singing from the tribal boats proved to tantalizing for Luna and he followed the Indian flotilla down the Gold River.

In a letter to Fisheries and Oceans Canada, Chief Mike Maquinna told officials to quit trying to capture the whale and leave tribal waters. He then demanded that the department negotiate a marine mammal agreement with the tribe. Yes, another treaty.

Tribal leaders have since suggested that they should be the ones to lead Luna down the coast to his pod. However, it appears that any attempt to move Luna are now stalled until next year as Luna's pod has moved further into the ocean.



In late July, federal and tribal officials reached an agreement to together monitor Luna's activities in the sound. The agreement which will only cover the summer months will cost taxpayers of this country an additional \$90,000.

with files from *CBC News / National Post / Seattle Post Intelligencer*

Canada Post Audited

Two separate audits of Canada Post (CP) have directed serious criticism against suspended CP president Andre Ouellet, who was suspended with pay, in February of this year. He is the highest paid bureaucrat in the federal government earning in excess of \$400,000 a year. Canada Post needed to get special cabinet approval to pay him this salary since it exceeded government guidelines.

Andre Ouellet served as a Liberal MP from 1967 to 1995 and was a close confidant of Prime Minister Chretien serving as Quebec lieutenant and foreign affairs minister. Ouellet was appointed chairman of CP after he left government and then moved onto the position of president in 1999.

The two audits, conducted by Deloitte and Touche, investigated Canada Post's involvement in the sponsorship scandal and the corporation's management practices.

Here is what they uncovered:

- Ouellet approved his own personal expense claims which ranged from \$129,919 a year to \$335,789. Ouellet never provided any receipts for these claims which to-

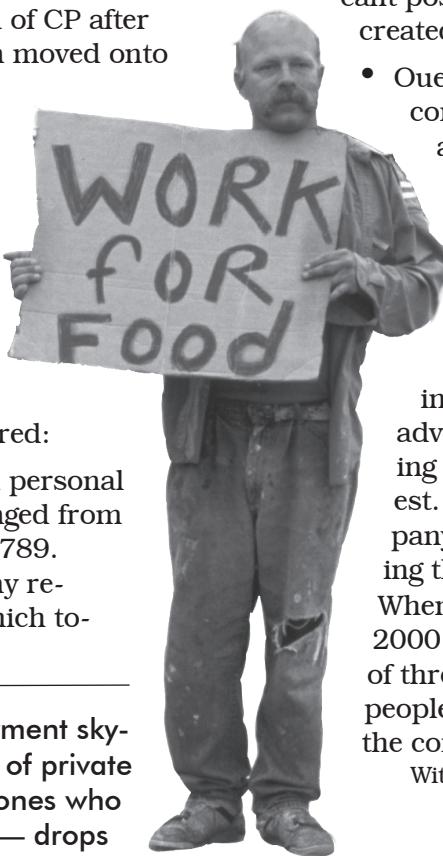
talled over \$2 million during his tenure

- Between 1996 and 1998, while Ouellet served as chairman he spent \$590,389 on hospitality expenses and travel. The next chairman spent \$25,000 his first year.
- When Ouellet became president of Canada Post, his expenses bills for the first year were \$317,173, compared to \$26,578 spent in 1997 by the previous president.
- Ouellet's office approved \$75,000 in travel costs for nine trips made by former Liberal Cabinet Minister Alfonso Gagliano. Gagliano's wife joined him on many of these excursions. This included five trips to Italy and journeys to Brazil, France, China and Lebanon.
- Ouellet was personally involved in the hiring of 80 people who were either relatives of Liberal MPs, Liberal devotees or personal friends. The audit concluded that in 25% of the cases, the individuals were not filling vacant positions, but that jobs were specially created for them.
- Ouellet awarded several untendered contracts to Liberal advertising firms and told auditors that the Liberal government was the shareholder and as such "would be the winner."
- CP was also involved in sponsorship activities – purchasing advertising at cultural and sporting events. CP favoured the Liberal advertising companies Lafleur Marketing Communications and Groupe Everest. In almost every instance, the company broke its own rules when purchasing the advertising.

When Canada Post held a competition in 2000 for the design of new stamps, two of three committee members were told by people inside Canada Post who was to win the competition.

With files from the *Regina LeaderPost / Globe and Mail / National Post*

Public sector employment skyrockets, while the number of private sector employees — the ones who pay these salaries — drops





RAN ON EMPTY FUMED TO OTTAWA

Update on your CTF's Gas Tax Honesty Campaign

It was a long trip, but on June 23, 2004, federal director John Williamson drove onto Parliament Hill. Embarking on a journey that began on May 25, 2004 at Mile Zero of the Trans-Canada Highway in Victoria, BC, your CTF set out with two goals: build support for a gas tax cut; and build support for our Municipal Roadway Trust (MRT).

Running on Empty, Fuming to Ottawa stopped in 40 communities in 30 days. John Williamson drove a decorated van that increasingly became recognized as it made

its way across the country.

Along the road, Williamson and CTF provincial directors met with taxpayers, municipal leaders, and the media. The CTF's van logged 7,163 kilometres, from Victoria to Ottawa, and guzzled \$804.63 worth of gasoline, of which, \$253.64 was consumed — pardon the pun — in gas taxes. It was an interesting and eye opening journey — John saw first hand the rough shape of our roads and witnessed growing public frustration with high fuel prices.

The tour also met several municipal leaders who support our efforts. To date, the CTF has collected 2,046 signatures from municipal leaders – mayors, reves, councillors and aldermen – in support of lower and dedicated federal gasoline taxes. Also, some 53 municipalities went one step further and passed council resolutions in support of the CTF's MRT. A listing of council resolutions and those municipalities whose leaders signed on are listed on the CTF website at: (www.taxpayer.com/fumingtour_municipallist.pdf)

If you can't find your city or town on either list, its time to ask your local politicians to sign on with the CTF's agenda in support of lower gasoline taxes and dedicated federal revenues for roadway improvement and construction.

Running a tour during a federal election campaign had the added bonus of getting the attention of our federal political leaders. The CTF has run annual gas tax honesty campaigns for six years – and this year we've finally received the commitments of *all* party leaders to dedicate federal gasoline tax revenues to municipal roads and infrastructure. We even received one commitment to lower gasoline taxes. Years of persistence is finally paying off!

This fall, your CTF will present the federal Finance Minister with both the municipal leaders' petitions and the CTF's ongoing Gas Tax Honesty Campaign petitions which now exceed 82,000. If you and your neighbours haven't already signed the petition, surf by the CTF's website and sign on (<https://www.taxpayer.com/cuttaxes.htm>) or ask your local CTF representative to sign a hard copy. ■

The CTF's Municipal Roadway Trust:

- Dedicates \$2.3 billion in federal gasoline tax revenue to all of Canada's municipalities;
- Apportioned based on Gross Domestic Product – a measure of relative gasoline consumption;
- MRT to run for three years, then subject to renewal by parliament; and
- Municipal spending of MRT funds to be audited by the federal auditor general; and
- Municipalities found to be not spending MRT funds on roads will have their MRT funds for the next year cancelled.

Long distance rates so low you would think....



5.5¢ A minute
anytime, anywhere
in Canada or the US

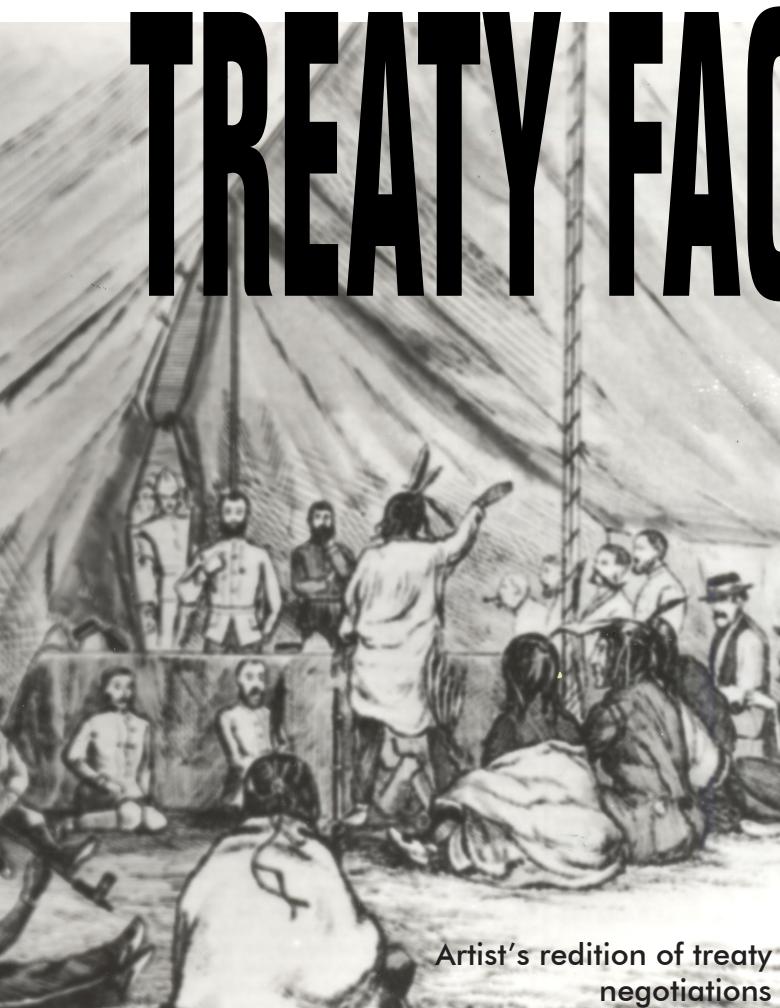
Exclusively for CTF supporters: The CTF has partnered with a long distance management company, West Can Telecommunications Inc. West Can has extensive experience in serving the needs of large affinity groups. The CTF has negotiated special low rates on long distance, toll free and calling card services. Your long distance calling will be carried on the Sprint network.

A Partnership that works

Low, 30 second call minimum **Low rates on toll-free services**
Billing in 6 second increments **Calling card rates - 15 cents/min**
Low international rates

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TREATY FACTS



Artist's rendition of treaty negotiations

The Canadian Taxpayers Federation has received many requests to summarize what is contained within Indian treaties. For the next several issues of *The Taxpayer* magazine the CTF will summarize what was outlined in the original treaties. Should

readers wish to obtain complete copies of the treaties they may be found online at http://www.ainc-inac.gc.ca/index_e.html or by writing the Department of Indian and Northern Affairs Canada.

Between 1871 and 1923, Canada concluded eleven Victorian Treaties, more commonly referred to as the "numbered treaties," which cover the prairie provinces, most of Ontario, Northwest Territories and north-eastern British Columbia. The purpose of these treaties was to open up the land for settlement, trade and agriculture. In addition, they sought to ensure peace and goodwill between Indians, settlers and the Crown.



by Tanis Fiss
Centre for Aboriginal
Policy Change
Director

TREATY NO 1

Between Her Majesty the Queen and the Chippewa and Cree Indians of Manitoba and Country Adjacent with Adhesions

Treaty No. 1 was signed on August 3, 1871 at Lower Fort Garry in southern Manitoba. The Chippewa and Swampy Cree Tribes inhabiting the Treaty 1 area and Her Majesty the Queen agreed to the following:

- 1** . The Chippewa and Swampy Cree Tribes gave up all claims to the land included in the treaty area.
- 2** . Canada agreed to provide reserve land for the sole and exclusive use of the Indians of the treaty. Specifically, 160 acres for

each family of five, or in that proportion for larger or smaller families was provided.

3 . The Canadian government presented \$3 to each Indian man, woman and child belonging to the bands represented in the treaty.

4 . Canada agreed to maintain a school on each reserve made by the treaty whenever the Indians of the reserve should desire it.

5 . No liquor was allowed to be introduced or sold, and all laws at the time in force or hereafter to be enacted to preserve Her

“When they were prepared to receive them, the Indians of each reserve were to be given a bull, and a cow for the Chief; a boar for each reserve, and a sow for each chief, and a male and female of each kind of animal raised by farmers.”

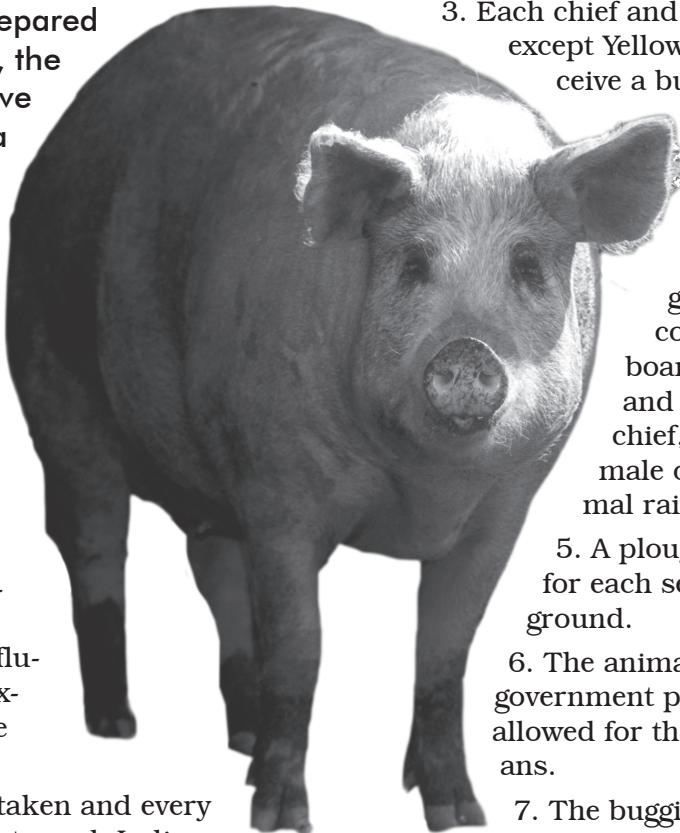
Majesty's Indian subjects inhabiting the reserves or living elsewhere from the evil influence of the use of intoxicating liquors shall be strictly enforced.

6. A census was to be taken and every year thereafter to pay to each Indian family of five persons the sum of \$15 Canadian currency, or in like proportion for a larger or smaller family. Such payment could be made in articles Indians require of blankets, clothing, prints (assorted colours), twine or traps, at current cost price in Montreal or otherwise.

TREATY 1 — VERBAL AGREEMENT

When Treaty 1 was signed, certain verbal promises were made to the Indians, which were not included in the written text of the treaty, nor recognized or referred to when the Treaty was ratified by the House of Commons. The verbal promises were eventually incorporated into the Treaty in 1876. The following are the added terms:

1. The annuity was raised from \$3 to \$5 per head, and a further annual sum of \$20 was to be paid to each chief.
2. The chief and, up to four council members were to be given a suit of clothing every three years.



3. Each chief and council member, except Yellow Quill, were to receive a buggy.
4. When they were prepared to receive them, the Indians of each reserve were to be given a bull, and a cow for the Chief; a boar for each reserve, and a sow for each chief, and a male and female of each kind of animal raised by farmers.
5. A plough and a harrow for each settler cultivating the ground.
6. The animals were to remain government property, but to be allowed for the use of the Indians.
7. The buggies were to be the property of the Indians to whom they were given.

These terms were added to the Treaty upon the distinct understanding that any Indian accepting the increased payment formally abandoned all claims against the government, in connection with the verbal promises of the commissioners.■

Update – Westbank Self-Government Agreement (Bill C-11)

February 12, 2004 – First reading.

March 29 – CTF issues a *TaxAction* urging supporters to write their MPs in opposition to the Bill.

April 27 – Passed by House of Commons.

May 4 – CTF presents objection to the Senate Committee.

May 6 – Bill given Royal Assent.

by Brian Lee Crowley, President AIMS.

To date, misguided federal policies have not only failed to close the economic discrepancy between the Atlantic provinces and the rest of Canada; they have, in fact, held back the natural process of convergence, which could have closed the gap relatively quickly. Convergence is the process

of revitalization. Regrettably, there is little indication in Ottawa that things are going to change for the better any time soon.

Regional Development Agencies

The expensive, politicized, and distortionary regional development programs, such as the Atlantic Canada Opportunities Agen-

An Agenda for Atlantic Growth

described by many economists by which economically lagging regions catch up with more dynamic regions, in part through copying innovation, in part through leveraging their lower costs and surplus labour.

Ottawa's policies of regional development spending, equalization transfers, and regionally extended employment insurance benefits are not just well-intentioned failures. They have actually short-circuited the process of convergence and left Atlantic Canada with a per capita gross domestic product that is no more than three-quarters of the national average, well below average productivity levels, and unemployment that is high even as the region suffers from increasingly significant labour shortages. Moreover, excessive federal regulation and short-sighted bureaucratic interference have prevented key industries in the region, such as the fishery and offshore energy, from acting as catalysts of econom-

cy, look set to continue. Yet, Atlantic Institute for Market Studies' research shows that broad, tax-based measures to foster a development-friendly business environment are a better way to foster long-term economic growth. In particular, we should replace politicized government support of individual businesses ("picking winners") with regional tax reductions that reward companies that make a profit, allow consumers, not bureaucrats and politicians, to choose which businesses will prosper.

Equalization

Federal and provincial politicians understand little about the deep inner working of equalization, but they all agree that it is a great thing. Indeed, I agree that its intentions are good: the program is designed to ensure that Canadians everywhere have access to good quality public services in areas

of provincial jurisdiction, even where the local provincial tax base is weak. But good intentions are not enough, because equalization has some deeply damaging unintended consequences. Here's what we need to do. First, Ottawa must re-establish a ceiling on the total amount available for equalization; then non-renewable natural resources must be removed from the equalization formula; and finally provision must be established for swapping equalization payments for a debt-reduction plan for equalization-receiving provinces.

“Excessive federal regulation and shortsighted bureaucratic interference have prevented key industries in the region, such as the fishery and offshore energy, from acting as catalysts of economic revitalization.”

their balance sheets, with penalties for falling off the debt-reduction wagon.

Employment Insurance

Even before the election was called, the federal government backed further away from improving Employment Insurance. Not dissimilar from the re-writing of EI rules on the eve of the 2000 federal election, a new pilot project was announced. In effect workers in seasonal employment will be given an additional five weeks of regular EI benefits – reversing rules that were designed to limit the practice of holding a seasonal job and relying on EI for the remainder of the year. Yet the evidence is everywhere that Atlantic Canada is facing growing labour shortages, shortages exacerbated by a program that spends hundreds of millions of dollars paying seasonal workers not to work for a major part of the year.

EI must be restored to its original objec-

es. Recipient provinces must be encouraged to explore policies that promote growth, including encouraging development of natural resources, without being penalized for realizing growth, and they must be encouraged to clean up

Brian Lee Crowley is the founding president of AIMS, the Atlantic Institute for Market Studies, Atlantic Canada's public policy think tank. AIMS has been in the forefront of making the case for a new economic vision for the region, a vision in which the energy, intelligence and entrepreneurial skills of Atlantic Canadians become the motor for economic development.



tive of protecting workers from unpredictable short-term interruptions in life-long attachment to the workforce. Contrary to the trend over the last two elections, the federal government must ratchet down EI benefits significantly every year for annual repeat claimants and require first-time claimants to have at least one year of continuous work to qualify for EI benefits. The program must also be experience rated, so that employers pay higher premiums when they repeatedly lay off people who then claim EI. To provide meaningful assistance to the chronically unemployed, a significant part of the savings generated by the EI reforms should be put into vouchers to allow workers to gain access to a wide range of job and skills training.

A positive business climate

To date, the federal government has failed to develop a business climate and regulatory structure that promotes strong growth in industries, such as the fishery and offshore energy, where the region has a comparative advantage.

In the fishery, Canada's lack of high quality private property rights in the catch is a long-standing issue, although some progress has been made in shifting the fishery from the primitive days of “racing to fish” and toward a property-rights based system, using Individual Transferable Quotas (ITQs). Fishermen ought to be able to transfer and trade their fish quotas as these are equivalent to



owning property on land. Much like the disadvantages of aboriginal collective ownership, the inability to bank on fish quotas hobbles the fishery as a business.

As for aquaculture — farming of the sea — Canada needs a National Aquaculture Act that creates strong property rights in the ocean resources required for the aquaculture industry to expand and thrive. In addition, jurisdiction over aquaculture must be transferred from the Department of Fisheries and Oceans to an “industry oriented” department such as Agriculture or Industry.

As for offshore oil and gas, it is not insignificant that many explorers have let their off-shore licences lapse. At present, Canada lacks the conditions in which an internationally competitive oil and gas exploration and development industry can take root and grow because regulatory and tax costs are not competitive with those in other comparable jurisdictions. Regulatory process need to be streamlined to match approval times in competitor regions, such as the North Sea, that are suitable benchmarks. Jurisdictional overlap between Ottawa and the

“Ottawa’s policies of regional development spending, equalization transfers, and regionally extended employment insurance benefits are not just well-intentioned failures. They have actually short-circuited the process of convergence and left Atlantic Canada with a per capita gross domestic product that is no more than three-quarters of the national average.”

provinces must be eliminated and policies co-ordinated to move to a “one window” regulatory solution for the oil and gas industry. Finally, “performance-based” regulation must be introduced so that the regulatory environment retains an incentive not to become cumbersome.

Canada-US Relations

We already have a North American free trade regime, but Canada needs to build a new, strong, and committed relationship with the US. This principle has particular application on the east coast, because in many ways the Atlantic region is not just limited to four provinces in Canada. A much broader geographical region of Atlantica straddles the border of Canada and the US. Atlantic Canada would benefit greatly from the federal government supporting Washington’s study of the transportation infrastructure in the International Northeast Trade Corridor, stretching from Halifax to northern New York state and the Ontario border. In this same vein we must also work with federal and state governments in



the US to create the needed infrastructure that ties Atlantic Canada more effectively into markets in the NAFTA heartland. In addition, we need to build on the Smart Commerce initiative to accelerate and further simplify border-crossing procedures, and work with the US on integrated perimeter security, the harmonization of external tariffs, and mutually agreeable standards for entry of persons from third countries. An efficient trans-border market in the Atlantica region is a key component for regional prosperity.

Conclusion

Meaningful and long-term growth in Atlantic Canada is not merely possible; it is already happening despite the myriad obstacles Ottawa continues to throw in our path. Further progress will require an honest assessment and debate on the policies best suited to growth. Growth would be good for Atlantic Canadians, enabling

the region not only to pay its own way in the world, but to enjoy the kind of influence and stature that growth and progress confer. It would also be good for the rest of the country, not merely because it would reduce the costs of transfer programs, but more important because everyone will have understood that real success in helping less prosperous regions is not how much money you give them, but how effectively you help them to help themselves.■

Road to Growth

Written by Fred McMahon of the Atlantic Institute for Market Studies, this intriguing book analyses the dramatic economic turn arounds experienced by the countries of Ireland and Holland.

Though these two economies were vastly different, McMahon discovers that they did many of the same things to turn their depressed economies around. This means that many of the principles can be transferred to other economies.

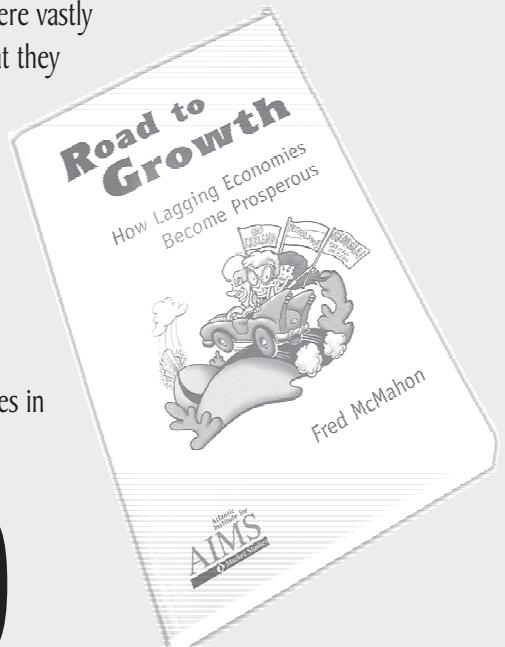
He also examines what forces worked to destroy these economies in the first place.

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Please use the order form located on the back cover of *The Taxpayer*



Members of Parliament LOSE and so do taxpayers

by Bruce Winchester

Few will shed tears for our defeated federal politicians. When all the dust settled after June's federal election, there were 78 Members of Parliament (MPs) who were either defeated or had voluntarily left politics. Thirty-five of these former members went straight to Go and began collecting their pension, while the remaining 41 hit the lottery at

Free
Park-
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erance payout. An even luckier group of 14 received both. Total cost to taxpayers: a cool \$6.2 million.

The system is intentionally complicated. If an outgoing MP is eligible for a pension immediately, then they don't receive severance. However, in some cases the former MP must wait until they are 55 to get their pension, so these folks get a severance package as well as their pension. Those who have not qualified for a pension — having not accrued enough points — will have to settle for a severance package only.

Severance Pay

The Golden Handshake

Even MPs like Christian Jobim of Levis-Bellechase Quebec, who only served one year, received a severance payout of \$11,833. If MPs lose the election, don't win their party's nomination or simply quit, they are eligible for a severance payment equal to one month of pay for every year served as an MP, the maximum severance is \$70,500.

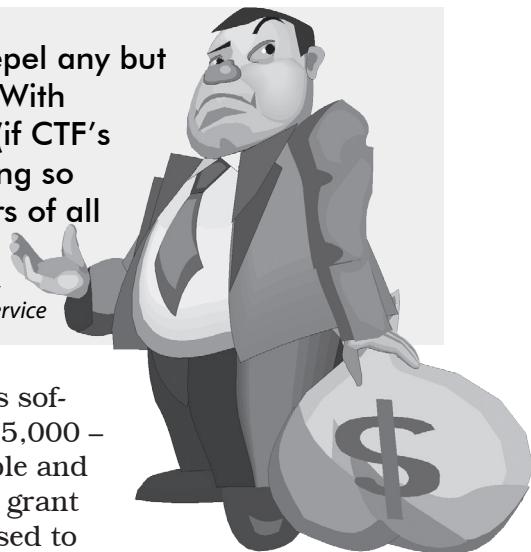
Most Canadians will be lucky to see two weeks of severance per year served, with a maximum of 12 weeks. In stark contrast to our MPs, an average Canadian worker would get somewhere between \$1,340 to \$8,040

“Our MPs are in an elite group when it comes to earnings and pension income. Currently, the average MP's pension exceeds \$44,000 per year. When CPP is added to that, our parliamentarians in retirement continue to at least double the income of the average older Canadian family.”



“Politics shouldn’t be so economically onerous as to repel any but the idle rich – but in Canada there is no danger of that. With pension benefits pegged at four dollars for every dollar (if CTF’s figures are correct) the danger is in public service becoming so prodigally lucrative as to attract primarily the free loaders of all financial strata.”

*Editorial,
George Jonas, CanWest news Service*



in severance if they suddenly lost their job. Moreover, unlike an MP, Canadian workers who voluntarily leave their jobs, don't get any severance, or Employment Insurance. In effect, the severance offered to departing MPs, is about nine times more lucrative than what the rest of us could expect to receive.

Setting Up and Closing Up Shop

For MPs who lose their seats, the transition

out of office is softened by a \$15,000 – non receiptable and non taxable – grant that can be used to cover office expenses that may result from “finishing up any outstanding constituency business.” This used to be \$10,000 but quietly — and just before the election — MPs increased this allowance by \$5,000.

Finally, all members who leave Parliament have the option of retaining their supplementary health and life insurance benefits. This is a new development. Previously, these benefits were only extended to MPs who immediately qualified for a pension. But quickly and quietly before parliament was dissolved for the election, MPs passed legislation to broaden the ability of MPs to retain this coverage. Imagine leaving your job but taking your benefits package with you! Your CTF spoke out against this legislation, issuing a *TaxAction* and appearing before the Senate. A feature article on these changes appeared in the last edition of *The Taxpayer*.

Canadian Income and Pension Statistics

Number of Canadians with RRSPs:	8 mil
The average yearly contribution:	\$5,5
Canadian workers covered by an employer sponsored pension plan:	40
Canada Pension Plan maximum annual payment:	\$11,1
Maximum combined family Old Age Security, Canada Pension Plan, Guaranteed Annual Income Payment:	\$24,0
Average income of elderly families:	\$29,6
Average income of unattached Men:	\$14,9
Average income of unattached Women:	\$11,4
Number of times Average MP pension exceeds average elderly Canadian Family Income:	
Average income of a Canadian Family:	\$65,9
Two parent family, two earners:	\$78,1
Two parent family one earner:	\$55,1
Number of times MP pay exceeds average Canadian	

MP Pensions – A Bronze to Golden Parachute

Since the early 1990s, MP pensions have been a political hot potato. Remember the Reform Party, which in 1993 promised to clean up parliament beginning

with passing on gold-plated pension? Some of them actually did opt out of the pension – but privacy rules prohibit us from asking who is in, so we have to take them at their word. Then in 1995, the MP pension plan was changed. Rather than simplifying matters, this and later changes to the pension regime only served to muddy the waters.

Beginning in July 1995, the annual accrual rate for pension calculations was dropped from 5 per cent per year to 4 per cent per year. Under the classic pension rules that applied prior to 1995, an MP accrued 5 per cent each year of service, so that in six years

they qualified for a pension worth 30 per cent of their salary and by 14 years were able to qualify for the full pension worth 75 per cent of their best six years of salary. After 1995, accruing a basic pension would take seven years instead of six, but that only applied to MPs who were elected in 1993. Those elected prior to that date had the option to be grandfathered under the old rules – but with the new accrual rate.

Following the 1997 election, a small change in the pension regime allowed MPs who had previously opted out, to opt back in. In 1998, those changes took effect, causing a major brouhaha for MPs who waded back into the once declared “pension trough.” As you may recall, your CTF was highly critical of many Reform Party MPs who opted back into the plan after so sanctimoniously preaching how they would do politics differently.

Finally, after the 2000 election the MP pension book was opened yet again. This time, tax free allowances were replaced with a fully taxable higher base wage in 2001. All told, MPs saw the base wage used in calculating their pension rise from \$69,000 per year to \$131,000 per year. For MPs this translated into much higher pension payments. At the same time, the Lumley Report (prepared by the Lumley Commission on Member Compensation) recommended the accrual rate be reduced to 2.5 per cent per year – but parliamentarians opted for a more generous 3 per cent accrual rate.

For MPs caught in the net of pension reforms, the changes were by and large in their favour. Rather than retaining the old best six years of service rule, a new five year average is now used in calculating pension payments. That move was almost tailor-made for MPs, who, after a few terms in office were not expected to stay on after the 2004 election. That’s why many departing cabinet ministers will receive such generous pensions. Even some ordinary



In the summer of 1995, your CTF drew attention to the fight for MP pension reform by setting out pigs on Parliament Hill protesting the passage of Bill C-85.

CP Photo

MPs reaped big returns. Deborah Gray, for example, is now eligible to receive a pension of \$73,940. That's more than her salary the first year she served as an MP in 1989.

Reforming MPs Pension

Rather than further reductions in the accrual rate, or convoluted opt-out provisions that are meant to obfuscate, your CTF has long recommended replacing the current MP pension plan with a matching dollar-for-dollar Registered Retirement Savings Plan (RRSP). If MPs put five per cent of their \$141,000 salary into a matching RRSP plan – they would reach the RRSP contribution limit, but it would only cost taxpayers \$2.2 million per year to support MPs retirement as opposed to the current bill of \$4.4 million.

As the accompanying chart illustrates, our MPs are currently in an elite group when it comes to earnings and pension income. Currently, the average MP's pension exceeds \$44,000 per year. When CPP is added to that, our parliamentarians in retirement continue to at least double the income of the average older Canadian family. Similarly, if the current pension is replaced by a matching RRSP then MPs would be contributing 4 times more to their plans than the average Canadian. A well invested RRSP with 25 years of contributions will produce about \$60,000 per year in income if a modest five per cent rate of return is realized each year. Taxpayers know that a matching RRSP is the better deal for all concerned – MP's might actually have more money for their retirement, but at a much lower cost to taxpayers. CTF efforts have led to many provinces adopting this sensible recommendation – it is time the federal parliament follow suit. ■

MP Compensation 2004

- \$141,000 in base MP pay – ministers and parliamentary officers (house leaders, whips, speaker) receive additional pay;
- Office and travel budget – last year MPs spent more than \$26 million on travel;
- Living allowance of \$20,000;
- MP severance – 1 month pay per year of service, maximum of 6 months – based on base MP pay;
- MP pension – based on amount accrued, maximum of 75 per cent multiplied by five-year average of best pay (including top-ups for ministers and parliamentary officers);
 - Severance paid to all defeated and departing MPs who do not immediately qualify for their pension;
 - Pensions are not paid until former MP reaches 55 years of age and not while they are employed by the federal government (no double dipping);
 - Supplementary health and life insurance coverage – available as soon as an MP leaves or loses;
 - One-time allowance of \$15,000 for MPs to wrap up constituency matters, immediately following the election.



The big winners after the June 28, federal election

The following is a breakdown of severance and pension payouts of MPs who retired prior to or were defeated in the June 28, federal election. If an MP has not served six years, they receive only a severance. If they have served over six years, they are eligible for a pension and — depending on their age — a severance as well. If an MP is 55 years or older, they are not eligible for severance, but would immediately start collecting their pension. If an MP was under 55 years of age, they are paid severance and will collect their pension when they turn 55 years of age.

MPs Immediately eligible for pension

Name • Party • Constituency/Province • Year Elected • Annual Pension

Mark Assad MP, LIB, Gatineau, 1988	\$71,092
Sarkis Assadourin MP, LIB, Brampton Centre, 1993	\$48,812
Reginald Belair MP, LIB, Timmins- James Bay, 1988	\$67,780
Eugene Bellemare MP, LIB, Ottawa-Orleans, 1988 \$67,780	
Robert Bertand MP, LIB, Pontiac-Gatineau-Laelle, 1988	\$67,780
John Bryden MP, CPC, Wentworth--Burlington, 1993	\$47,179
Hon. Charles Caccia, LIB, Davenport, 1968	\$86,663
Rt. Hon. Jean Chrétien, LIB, Saint-Maurice, 1963	\$154,179
Rt. Hon. Joe Clark, IND, Calgary Centre, 1972	\$111,030
Hon. David Collenette, LIB, Don Valley East, 1974	\$119,869
Madeline Daphon-Guirard MP, BQ, Laval Centre, 1993	\$47,179
Stan Dromisky MP, LIB, Thunder-Bay-Atikokan, 1993	\$48,812
John Finlay MP, LIB, Oxford, 1993.....	\$48,812
Ivan Grose MP, LIB, Oshawa, 1993.....	\$47,179
John Harvard MP, LIB, Charleswood -- St. James, 1988.....	\$68,442
Andre Harvey MP, LIB, Chicoutimi-Le Fijord, 1984	\$80,307
Grant Hill MP, CPC, MacLeod, 1993	\$47,179
Ovid Jackson MP, LIB, Bruce- Grey-Owen Sound, 1993	\$47,179
Bob Kilger MP, LIB, Stormont-Dundas-South Glengary, 1988	\$67,780
Clifford Lincoln MP, LIB, Lac Saint Louis, 1993	\$47,179
Philip Mayfield MP, CPC, Cariboo-Chilcotin, 1993	\$47,179
Larry McCormack MP, LIB, Lanark-Frontenac-- Lennox and Addington, 1993.....	\$47,179
Val Merideth MP, CPC, South Surrey-White Rock-Langley, 1993	\$47,179
Dennis Mills MP, LIB, Toronto-Danforth, 1988	\$67,780
Hon. Lorne Nystrom, NDP, Qu'apelle, 1968	\$86,663
John O'Reilly MP, LIB, Haliburton-Kawartha Lakes-Brock, 1993	\$47,179
Hon. Rey Pagtakhan, LIB, Winnipeg North--St. Paul, 1988	\$105,868
Janko Peric MP, LIB, Cambridge, 1993 ..	\$47,179
Gary Pilliteri MP, LIB, Niagara Falls, 1993	\$47,179
Julian Reed MP, LIB, Halton, 1993	\$47,179
Yves Rocheleau MP, BQ, Trois-Rivieres, 1993	\$47,179
Hon. Allan Rock, LIB, Etobicoke Centre, 1993	\$62,859
Guy St-Julien MP, LIB, Abitibi, 1984	\$86,663
Hon. Lyle Vanclief, LIB, Prince Edward, 1988	\$105,868
Pierrette Venne, BQ, Saint-Bruno--Saint-Hubert, 1988	\$67,780
Elsie Wayne MP, CPC, Saint John, 1993	\$47,179
Ted White MP, CPC, North Vancouver, 1993	\$47,179

MPs immediately eligible for a severance and a pension at age 55

Name • Party • Constituency/Province • Year Elected • Pension age 55 • Severance

Murray Calder MP, LIB, Dufferin-Caledon, 1993	\$47,179/\$70,500	1993	\$47,179/\$70,500
Hon. Martin Cauchon, LIB, Outremont, 1993	\$65,257/\$70,500	Karen Kraft-Sloan MP, LIB, York North, 1993	\$47,179/\$70,500
Hon. Sheila Copps, LIB, Hamilton East, 1984	\$119,869/\$70,500	Hon. John Manley, LIB, Ottawa South, 1988	\$105,868/\$70,500
Hon. Herb Dhaliwal, LIB, Vancouver South-- Burnaby, 1993	\$65,257/\$70,500	Hon. Robert Nault, LIB, Kenora, 1988	\$105,868/\$70,500
Nick Discepola MP, LIB, Vaudreuil--Soulanges, 1993	\$47,179/\$70,500	Svend Robinson MP, NDP, Burnaby- Douglas, 1979	\$86,663/\$70,500
Deb Grey, CPC, Edmonton, 1989	\$73,940/\$70,500	Hon. Robert Speller, LIB, Norfolk, 1988	\$72,271/\$70,500
Stan Keyes MP, LIB, Hamilton West, 1988	\$72,271/\$70,500	Hon. Jane Stewart, LIB, Brant, 1993	\$65,257/\$70,500
Gar Knutson MP, LIB, Elgin-Middlesex-London,	Hon. Susan Whelan, LIB, Essex, 1993	\$57,926/\$70,500

MPs immediately eligible for a severance but no pension

Name • Party • Constituency/Province • Year Elected • Severance

Andre Bachand MP, IND, Richmond-Arthabaska, 1997	\$70,500	1997	\$70,500
Paul Bonwick MP, LIB, Simcoe-Grey, 1997	\$70,500	Allard Carole Marie MP, LIB, Alfred-Pellan, 2000	\$58,750
Rick Borotsik MP, CPC, Brandon-Souris , 1997	\$70,500	Gerard Binet MP, LIB, Megantic L'erable, 2000	\$58,750
Hon. Claude Drouin, LIB, Beauce, 1997. \$70,500		Andy Burton MP, CPC, Skeena, 2000.....	\$58,750
John Herron MP, IND, Fundy, 1997	\$70,500	Helene-Chalifour-Scherre MP, LIB, Louis-Hebert, 2000	\$58,750
Joe Jordan MP, LIB, Leeds - Grenville, 1997	\$70,500	Jeannot Castonguay MP, LIB, Madawaska-Restig- ouche, 2000.....	\$58,750
Rick LaLiberte MP, IND, Churchill, 1997	\$70,500	Claude Duplain MP, LIB, Potrneuf, 2000	\$58,750
Wedny Lill MP, NDP, Dartmouth, 1997	\$70,500	Georges Farrah MP, LIB, Bonaventure -- Gaspé -- Illes-de-la-, 2000.....	\$58,750
Grant McNally MP, CPC, Dewdney-Alouette, 1997	\$70,500	Robert Lancôt MP, LIB, Chateauguay, 2000	\$58,750
Hon. David Pratt, LIB, Nepean-Carleton, 1997	\$70,500	Joe Peschisolido MP, LIB, Richmond, 2000	\$58,750
David Price MP , LIB, Compton-Stanstead, 1997 \$70,500		Rex Barnes MP, CPC, Gander Grand Falls, 2002	\$23,667
Dick Proctor MP, NDP, Palliser, 1997	\$70,500	Christian Jobim MP, LIB, Levis-Bellechasse, 2003	\$11,833
Dianne St. Jacques MP, LIB, Shefford, 1997	\$70,500		
Yolabde Thibeault MP, LIB, Saint-Lambert,			

MPs currently claiming a pension

The following lists former Members of Parliament currently claiming a pension. There may be others who will be able to claim an MP pension when they turn 55 or when their current term of federal employment is completed. Those names have not been included in this list. All former MPs are listed in alphabetical order, followed by the party they were first elected under, the constituency in which they were first elected, the date of their first election to parliament, and finally, their estimated annual pension. Pension estimates are based on the pension rules under which they were elected. Eligible MPs elected prior to the 1968 parliament may not be included in this list. The total cost of MP pensions is \$16.7 million annually. There are 375 former MPs currently eligible for a pension with an average annual per member payout of \$44,431 per year.

Name • Party • Constituency/Province • Year Elected • Annual Pension

ALEXANDER, Lincoln MacCauley, PC, Hamilton West, Ontario, 1968	43,050	1972	83,250
ALKENBRACK, Almonte Douglas, PC, Frontenac-Lennox and Addington, Ontario, 1968	43,050	BEAUDOIN, Léonel, RCQ, Richmond, Quebec, 1968	31,570
ALLMAND, William Warren, LIB, Notre-Dame-de-Grâce, Quebec, 1968	48,300	BEER, Bruce Silas, LIB, Peel--Dufferin--Simcoe, Ontario, 1968	28,700
ALTHOUSE, Victor Fredrich, NDP, Humboldt-Lake Centre, Saskatchewan, 1980	45,080	BÉGIN, Monique, LIB, Saint-Michel, Quebec, 1972	72,150
ANAWAK, Jack Iyerak, LIB, Nunatsiaq, Northwest Territories, 1988	28,350	BÉLAIR, Réginald, LIB, Cochrane--Superior, Ontario, 1988	67,780
ANDRE, Harvie, PC, Calgary Centre, Alberta, 1972	83,250	BELLEHUMEUR, Michel, BQ, Berthier--Mont-calm, Quebec, 1993	34,650
ANGUS, Iain Francis, NDP, Thunder Bay-Atikokan, Ontario, 1984	24,150	BELLEMARE, Eugène, LIB, Carleton--Gloucester, Ontario, 1988	67,780
ARSENEAULT, Guy H., LIB, Restigouche, New Brunswick, 1988	29,970	BENSON, Edgar John, LIB, Kingston and the Islands, Ontario, 1968	28,700
ASSAD, Mark Joseph, LIB, Gatineau--La Lièvre, Quebec, 1988	71,092	BERGER, David, LIB, Laurier, Quebec, 1979	48,300
ASSADOURIAN, Sarkis, LIB, Don Valley North, Ontario, 1993	47,179	BERNIER, Gilles, PC, Beauce, Quebec, 1984	24,150
ASSELIN, Martial, PC, Charlevoix, Quebec, 1968	46,575	BERTRAND, Robert, LIB, Pontiac--Gatineau--Labelle, Quebec, 1993	47,179
ATTEWELL, Bill, PC, Don Valley East, Ontario, 1984	24,150	BLACKBURN, Derek Nigel Ernest, NDP, Brant, Ontario, 1971	48,300
AXWORTHY, Chris, NDP, Saskatoon--Clark's Crossing, Saskatchewan, 1988	35,880	BLACKBURN, Jean-Pierre, PC, Jonquière, Quebec, 1984	24,150
AXWORTHY, Lloyd, LIB, Winnipeg--Fort Garry, Manitoba, 1979	88,125	BLAIS, Jean-Jacques, LIB, Nipissing, Ontario, 1972	65,780
BASFORD, Stanley Ronald, LIB, Vancouver Centre, British Columbia, 1968	43,050	BLAKER, Roderick, LIB, Lachine, Quebec, 1972	39,000
BEATTY, Henry Perrin, PC, Wellington--Grey--Dufferin--Waterloo, Ontario,		BLENKARN, Donald Alex, PC, Peel South, Ontario, 1972	48,300
		BOSLEY, John William, PC, Don Valley West, Ontario, 1979	52,080

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BOUCHARD, Benoît, PC, Roberval, Quebec, 1984	41,400	CHAMPAGNE, Michel, PC, Champlain, Quebec, 1984	26,250
BOUCHARD, Lucien, PC, Lac-Saint-Jean, Quebec, 1988	47,300	CHAREST, Jean J., PC, Sherbrooke, Quebec, 1984	82,500
BOULANGER, Prosper, LIB, Mercier, Quebec, 1968	43,050	CHARTRAND, Gilbert, PC, Verdun--Saint-Paul, Quebec, 1984	24,150
BOURGAULT, Lise, PC, Argenteuil--Papineau, Quebec, 1984	24,150	CHRÉTIEN, Jean Joseph Jacques, LIB, Saint-Maurice, Quebec, 1968	154,179
BOYER, Patrick, PC, Etobicoke--Lakeshore, Ontario, 1984	27,900	CLANCY, Mary Catherine, LIB, Halifax, Nova Scotia, 1988	28,350
BRADLEY, T.A. Bud, PC, Haldimand--Norfolk, Ontario, 1979	23,600	CLARK, Charles Joseph (Joe), PC, Rocky Mountain, Alberta, 1972	111,030
BREAU, Herb, LIB, Gloucester, New Brunswick, 1968	43,050	CLARK, Walter Leland Rutherford (Lee), PC, Brandon--Souris, Manitoba, 1983	19,320
BRIEN, Pierre, BQ, Témiscamingue, Quebec, 1993	36,300	CLARKE, William Hillary (Bill), PC, Vancouver Quadra, British Columbia, 1972	31,570
BRIGHTWELL, A.H. Harry, PC, Perth, Ontario, 1984	24,150	CLERMONT, Gaston, LIB, Gatineau, Quebec, 1968	43,050
BRYDEN, John H., LIB, Hamilton--Wentworth, Ontario, 1993	47,179	CLIFFORD, Terrence (Terry), PC, London--Middlesex, Ontario, 1984	24,150
BUCHANAN, J. Judd, LIB, London West, Ontario, 1968	43,050	COATES, Robert Carman, PC, Cumberland--Colchester North, Nova Scotia, 1968	43,725
BURTON, John Stratford, NDP, Regina East, Saskatchewan, 1968	43,050	COLLENETTE, David Michael, LIB, York East, Ontario, 1974	119,869
BUSSIÈRES, Pierre, LIB, Portneuf, Quebec, 1974	53,250	COLLINS, Mary, PC, Capilano, British Columbia, 1984	24,150
CACCIA, Charles L., LIB, Davenport, Ontario, 1968	86,663	COMTOIS, Joseph-Roland, LIB, Terrebonne, Quebec, 1972	44,250
CADIEU, Albert C. (Bert), PC, Meadow Lake, Saskatchewan, 1968	43,050	COOPER, Albert Glen, PC, Peace River, Alberta, 1984	27,900
CADIEUX, Léo Alphonse Joseph, LIB, Labelle, Quebec, 1968	34,440	COPPS, Sheila Maureen, LIB, Hamilton East, Ontario, 1984	119,869
CADIEUX, Pierre H., PC, Vaudreuil, Quebec, 1984	39,150	CORBETT, Robert Alfred, PC, Fundy--Royal, New Brunswick, 1978	48,300
CAFIK, Norman Augustine, LIB, Ontario, Ontario, 1968	31,570	CORRIVEAU, Léopold, LIB, Frontenac, Quebec, 1972	51,750
CALDER, Murray, LIB, Wellington--Grey--Dufferin--Simcoe, Ontario, 1993	47,179	CROMBIE, David Edward, PC, Rosedale, Ontario, 1978	53,250
CAMPBELL, Coline M., LIB, South Western Nova, Scotia, 1974	48,300	CROSBIE, John Carnell, PC, St. John's West, Newfoundland and Labrador, 1976	83,250
CAMPBELL, John, LIB, Lasalle, Quebec, 1972	39,000	CROSSMAN, Guy F., LIB, Westmorland--Kent, New Brunswick, 1968	28,700
CANTIN, Jean-Charles, LIB, Louis-Hébert, Quebec, 1968	28,700	CROUSE, Lloyd Roseville, PC, South Shore, Nova Scotia, 1968	43,050
CARDIFF, Murray, PC, Huron--Bruce, Ontario, 1980	37,310	CULLEN, Jack Sydney George (Bud), LIB, Sarnia, Ontario, 1968	43,050
CARON, Yves, LIB, Beauce, Quebec, 1972	17,220	CYR, Alexandre, LIB, Gaspé, Quebec, 1968	43,050
CHAMPAGNE, Andrée P., PC, Saint-Hyacinthe--Bagot, Quebec, 1984	35,400	DALPHOND-GUILRAL, Madeleine, BQ, Laval Centre, Quebec, 1993	47,144

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DANFORTH, Harold Warren, PC, Kent--Essex, Ontario, 1968	43,050	ELLIS, John Raymond, PC, Prince Edward--Hastings, Ontario, 1984.....	31,650
DANIS, Marcel, PC, Verchères, Quebec, 1984	24,150	ELZINGA, Peter, PC, Pembina, Alberta, 1974.....	34,440
DANSON, Barnett Jerome, LIB, York North, Ontario, 1968.....	55,660	EPP, Arthur Jacob (Jake), PC, Provencher, Manitoba, 1972	83,250
DAUDLIN, Robert Mose Patrick, LIB, Kent--Essex, Ontario, 1974	28,700	FAIRWEATHER, Robert Gordon Lee, PC, Fundy--Royal, New Brunswick, 1968	43,050
DAWSON, Dennis, LIB, Louis-Hébert, Quebec, 1977	17,220	FAULKNER, James Hugh, LIB, Peterborough, Ontario, 1968	37,310
DE CORNEILLE, Roland, LIB, Eglinton--Lawrence, Ontario, 1979.....	26,100	FENNELL, Thomas Scott, PC, Ontario, Ontario, 1979	25,830
DE JONG, Simon Leendert, NDP, Regina East, Saskatchewan, 1979	48,600	FERLAND, Marc, PC, Portneuf, Quebec, 1984	24,150
DEANS, Ian, NDP, Hamilton Mountain, Ontario, 1980	17,220	FINESTONE, Sheila, LIB, Mount Royal, Quebec, 1984	82,500
DELLA NOCE, Vincent, PC, Duvernay, Quebec, 1984	27,900	FINLAY, John Baird, LIB, Oxford, Ontario, 1993	48,812
DEMERS, Yves, LIB, Duvernay, Quebec, 1972	37,950	FIRTH, Walter (Wally), NDP, Northwest Territories, Northwest Territories, 1972	17,220
DESJARDINS, Gabriel, PC, Témiscamingue, Quebec, 1984	24,150	FLIS, Jesse Philip, LIB, Parkdale--High Park, Ontario, 1979	43,050
DHALIWAL, Harbance Singh (Herb), LIB, Vancouver South, British Columbia, 1993	65,257	FONTAINE, Gabriel, PC, Lévis, Quebec, 1984	24,150
DICK, Paul Wyatt, PC, Lanark--Renfrew--Carleton, Ontario, 1972	83,250	FOREST, Yves, LIB, Mississquoi, Quebec, 1968	25,830
DINGWALL, David Charles, LIB, Cape Breton--East Richmond, Nova Scotia, 1980	82,800	FOSTER, Maurice Brydon, LIB, Algoma, Ontario, 1968	48,300
DISCEPOLA, Nunzio (Nick), LIB, Vaudreuil, Quebec, 1993.....	47,179	FOX, Francis, LIB, Argenteuil--Deux-Montagnes, Quebec, 1972	55,660
DORIN, Murray, PC, Edmonton West, Alberta, 1984	24,150	FRANCIS, Cyril Lloyd, LIB, Ottawa West, Ontario, 1968	43,050
DROMISKY, Stanley Peter (Stan), LIB, Thunder Bay--Atikokan, Ontario, 1993	48,812	FRASER, John Allen, PC, Vancouver South, British Columbia, 1972	85,125
DUBÉ, Antoine, BQ, Lévis, Quebec, 1993	47,179	FRETZ, Claude Girven (Girve), PC, Erie, Ontario, 1979	45,080
DUBÉ, Jean-Eudes, LIB, Restigouche, New Brunswick, 1968	43,050	FRIESEN, Benno, PC, Surrey--White Rock, British Columbia, 1974	56,175
DUCLOS, Louis, LIB, Montmorency, Quebec, 1974	30,000	FRITH, Douglas Cockburn, LIB, Sudbury, Ontario, 1980.....	22,960
DUPLESSIS, Suzanne, PC, Louis-Hébert, Quebec, 1984.....	27,900	FULTON, James Ross, NDP, Skeena, British Columbia, 1979	45,080
DUPONT, Raymond, LIB, Sainte-Marie, Quebec, 1972	37,950	GAGLIANO, Alfonso, LIB, Saint-Léonard--Anjou, Quebec, 1984	110,580
DUPRAS, Maurice, LIB, Labelle, Quebec, 1970	43,050	GASS, Melbourne Alexander, PC, Malpeque, Prince Edward Island, 1979	29,250
EGGLETON, Arthur C., LIB, York Centre, Ontario, 1993.....	64,800	GENDRON, Rosaire, LIB, Témiscouata, Quebec, 1968	43,050
GÉRIN, François, PC, Mégantic--Compton--Stanstead, Quebec, 1984	24,150		

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GILBERT, John, NDP, Broadview, Ontario, 1968	37,310	HICKS, Robert Nelson David, PC, Scarborough East, Ontario, 1984	24,150
GILLESPIE, Alastair William, LIB, Etobicoke, Ontario, 1968	31,570	HILL, Grant, REE, Macleod, Alberta, 1993	48,812
GODIN, Roland, RCQ, Portneuf, Quebec, 1968	25,830	HOCKIN, Thomas, PC, London West, Ontario, 1984	24,150
GOYER, Jean-Pierre, LIB, Dollard, Quebec, 1968	37,310	HOLMES, John Robert, PC, Lambton--Kent, On- tario, 1972	20,700
GRAFFTEY, William Heward, PC, Brome--Mis- sissquoi, Quebec, 1972	44,250	HOLTMANN, Felix, PC, Selkirk--Interlake, Mani- toba, 1984	24,150
GRAHAM, Stan, PC, Kootenay East--Revelstoke, British Columbia, 1979	25,830	HONEY, Russell Clayton, LIB, Northumberland-- Durham, Ontario, 1968	43,050
GREENAWAY, Lorne Everett, PC, Cariboo--Chilc- otin, British Columbia, 1979	27,000	HOPKINS, Leonard Donald, LIB, Renfrew North, Ontario, 1968	48,600
GREY, Deborah C., REE, Beaver River, Alberta, 1998	73,940	HORNER, John (Jack) Henry, PC, Crowfoot, Al- berta, 1968	43,050
GRILLS, Lee Elgy, PC, Hastings, Ontario, 1968	43,050	HORNER, Robert Nesbitt, PC, Mississauga North, Ontario, 1984	24,150
GROSE, Ivan, LIB, Oshawa, Ontario, 1993	47,179	HOVDEBO, Stanley J., NDP, Prince Albert, Sas- katchewan, 1979	45,080
GUAY, Raynald Joseph Albert, LIB, Lévis, Que- bec, 1968	45,000	HOWARD, Frank, NDP, Skeena, British Colum- bia, 1968	43,050
GUILBAULT, Jacques, LIB, Saint-Jacques, Que- bec, 1968	45,000	HOWE, William Marvin, PC, Wellington--Grey, Ontario, 1968	43,050
GUILBAULT, Jean-Guy, PC, Drummond, Quebec, 1984	24,150	HOWIE, J. Robert, PC, York--Sunbury, New Brunswick, 1972	28,700
GURBIN, Gary Michael, PC, Bruce--Grey, On- tario, 1979	27,000	HURLBURT, Kenneth Earl, PC, Lethbridge, Al- berta, 1972	17,220
HAIDASZ, Stanley, LIB, Parkdale, Ontario, 1968	43,500	IRWIN, Ron, LIB, Sault Ste. Marie, Ontario, 1980	74,520
HALIBURTON, Charles E., PC, South Western Nova, Nova Scotia, 1972	17,220	ISABELLE, Joseph Gaston, LIB, Hull, Quebec, 1968	43,725
HALLIDAY, Bruce, PC, Oxford, Ontario, 1974	48,300	JACKSON, Ovid L., LIB, Bruce--Grey, Ontario, 1993	47,179
HAMILTON, Frank Fletcher, PC, Swift Current-- Maple Creek, Saskatchewan, 1972	31,570	JACQUES, Carole, PC, Montreal--Mercier, Que- bec, 1984	24,150
HARGRAVE, Herbert Thomas (Bert), PC, Medi- cine Hat, Alberta, 1972	34,440	JAMES, Kenneth Albert, PC, Sarnia--Lambton, Ontario, 1984	27,900
HARQUAIL, Maurice James, LIB, Restigouche, New Brunswick, 1975	23,600	JARVIS, William Herbert, PC, Perth--Wilmot, On- tario, 1972	35,400
HARVEY, André, PC, Chicoutimi, Quebec, 1984	80,307	JELINEK, Otto John, PC, High Park--Humber Valley, Ontario, 1972	83,250
HAWKES, Frederick James (Jim), PC, Calgary West, Alberta, 1979	49,000	JEROME, James Alexander, LIB, Sudbury, On- tario, 1968	37,310
HEAP, Daniel James Macdonnell, NDP, Spadina, Ontario, 1981	38,640	JOHNSTON, Donald James, LIB, Westmount, Quebec, 1978	53,250
HELLYER, Paul Theodore, LIB, Trinity, Ontario, 1968	48,600	JONCAS, Jean-Luc, PC, Matapedia--Matane, Quebec, 1984	24,150
HENDERSON, George Roland, LIB, Egmont, Prince Edward Island, 1980	22,960	JORDAN, Jim, LIB, Leeds--Grenville, Ontario, 1988	28,350

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JOURDENAIS, Fernand, PC, La Prairie, Quebec, 1984	24,150	LATULIPPE, Henry P., RCQ, Compton, Quebec, 1968	37,310
KAPLAN, Robert Phillip, LIB, Don Valley, Ontario, 1968	48,300	LAWRENCE, Allan Frederick, PC, Northumberland--Durham, Ontario, 1972	43,050
KEEPER, Cyril, NDP, Winnipeg--St. James, Manitoba, 1980	20,090	LEBEL, Ghislain, BQ, Chambly, Quebec, 1993	52,610
KEMPLING, William James, PC, Halton--Wentworth, Ontario, 1972	44,250	LEBLANC, Francis G., LIB, Cape Breton Highlands--Canso, Nova Scotia, 1988	28,350
KEYES, Stan Kazmierczak, LIB, Hamilton West, Ontario, 1988	72,271	LEBLANC, Nic, PC, Longueuil, Quebec, 1984	44,540
KILGER, Robert (Bob), LIB, Stormont--Dundas, Ontario, 1988	67,780	LEBLANC, Roméo-Adrien, LIB, Westmorland--Kent, New Brunswick, 1972	56,250
KILLENS, Marie Thérèse Rollande, LIB, Saint-Michel, Quebec, 1979	25,830	LEGAULT, Carl, LIB, Nipissing, Ontario, 1968	37,310
KINDY, Alex, PC, Calgary East, Alberta, 1984	24,150	LEGGATT, Stuart Malcolm, NDP, New Westminster, British Columbia, 1972	17,220
KING, Frederick John, PC, Okanagan--Similkameen, BC, 1979	25,830	LESSARD, Marcel, LIB, Lac-Saint-Jean, Quebec, 1968	45,000
KNUTSON, Gar, LIB, Elgin--Norfolk, Ontario, 1993	47,179	LEWIS, Douglas Grinslade, PC, Simcoe North, Ontario, 1979	77,560
KRAFT SLOAN, Karen, LIB, York--Simcoe, Ontario, 1993	47,179	L'HEUREUX, Yvon, LIB, Chambly, Quebec, 1972	43,050
KRISTIANSEN, Lyle Stuart, NDP, Kootenay West, British Columbia, 1980	28,700	LINCOLN, Clifford, LIB, Lachine--Lac-Saint-Louis, Quebec, 1993	47,179
LA SALLE, Roch, PC, Joliette, Quebec, 1968	83,775	LOISELLE, Bernard Pierre, LIB, Chambly, Quebec, 1974	29,500
LACHANCE, Georges-C., LIB, Lafontaine, Quebec, 1968	37,310	LONEY, Edison John Clayton, LIB, Edmonton North, Alberta, 1993	28,980
LAJOIE, Claude G., LIB, Trois-Rivières, Quebec, 1971	40,180	LOPEZ, Ricardo, PC, Châteauguay, Quebec, 1984	24,150
LAJOIE, Claude G., LIB, Trois-Rivières Métropolitain, Quebec, 1972	40,180	LUMLEY, Edward C., LIB, Stormont--Dundas, Ontario, 1974	53,250
LALONDE, Marc, LIB, Outremont, Quebec, 1972	63,900	MACDONALD, David Samuel Horne, PC, Egmont, Prince Edward Island, 1968	43,050
LAMONTAGNE, J. Gilles, LIB, Langelier, Quebec, 1977	31,950	MACDONALD, Donald Stovel, LIB, Rosedale, Ontario, 1968	45,000
LANDERS, Mike, LIB, Saint John--Lancaster, New Brunswick, 1974	26,550	MACDONALD, Flora Isabel, PC, Kingston and the Islands, Ontario, 1972	65,550
LANDRY, Monique, PC, Blainville--Deux-Montagnes, Quebec, 1984	41,400	MACDONALD, Ronald, LIB, Dartmouth, Nova Scotia, 1988	28,350
LANG, Otto Emil, LIB, Saskatoon--Humboldt, Saskatchewan, 1968	75,900	MACDOUGALL, John Alexander Frances, PC, Timiskaming, Ontario, 1982	35,420
LANGDON, Steven W., NDP, Essex--Windsor, Ontario, 1984	24,150	MACEACHEN, Allan Joseph, LIB, Cape Breton Highlands--Canso, Nova Scotia, 1968	63,750
LANGLOIS, Paul, LIB, Chicoutimi, Quebec, 1968	43,050	MACEWAN, Howard Russell, PC, Central Nova, Nova Scotia, 1968	43,050
LANIEL, Gérald, LIB, Beauharnois, Quebec, 1968	43,050	MACINNIS, Donald, PC, Cape Breton--East Richmond, Nova Scotia, 1968	43,050
LAPOINTE, Charles, LIB, Charlevoix, Quebec, 1974	53,250	MACKAY, Elmer MacIntosh, PC, Central Nova, Nova Scotia, 1971	85,125

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MACLAREN, Roy, LIB, Etobicoke North, Ontario, 1979	83,250	MCKINLEY, Robert Elgin, PC, Huron, Ontario, 1968	43,050
MACLELLAN, Russell Gregoire, LIB, Cape Breton--The Sydneys, Nova Scotia, 1979 ...	52,500	MCLAUGHLIN, Audrey Marlene, NDP, Yukon, Yukon, 1987	42,018
MACRAE, John Chester, PC, York--Sunbury, New Brunswick, 1968	43,050	MCLEAN, Walter Franklin, PC, Waterloo, Ontario, 1979	45,080
MALONE, Arnold John, PC, Battle River, Alberta, 1974	48,300	MCMILLAN, Thomas Michael, PC, Hillsborough, Prince Edward Island, 1979	25,830
MALONE, Arnold John, PC, Crowfoot, Alberta, 1988	105,868	MCNULTY, James Carroll Patrick, LIB, St. Catharines, Ontario, 1968	28,700
MANLY, James Douglas, NDP, Cowichan--Malahat-The Islands, British Columbia, 1980	20,090	MEREDITH, Valerie (Val), REF, Surrey--White Rock--South Langley, British Columbia, 1993	47,179
MARCEAU, Gilles, LIB, Lapointe, Quebec, 1968	43,050	MERRITHEW, Gerald Stairs, PC, Saint John, New Brunswick, 1984	35,400
MARCHAND, Leonard Stephen, LIB, Kamloops--Cariboo, British Columbia, 1968	45,000	MIFFLIN, Fred J., LIB, Bonavista-Trinity--Conception, Newfoundland and Labrador, 1988	46,575
MARIN, Charles-Eugène, PC, Gaspé, Quebec, 1984	24,150	MILLS, Dennis Joseph, LIB, Broadview--Greenwood, Ontario, 1988	67,780
MARSHALL, Jack, PC, Humber--St. George's--St. Barbe, Newfoundland and Labrador, 1968	45,000	MITCHELL, Margaret Anne, NDP, Vancouver East, British Columbia, 1979	28,980
MASNIUK, Peter Paul, PC, Portage, Manitoba, 1972	17,220	MITGES, Constantine George (Gus), PC, Grey-Simcoe, Ontario, 1972	43,050
MASSE, Marcel, PC, Frontenac, Quebec, 1984	41,400	MOORE, Harry Andrew, PC, Wetaskiwin, Alberta, 1968	28,700
MATTE, René, RCQ, Champlain, Quebec, 1968	28,700	MUIR, Robert, PC, Cape Breton--The Sydneys, Nova Scotia, 1968	45,000
MAYER, Charles James, PC, Portage--Marquette, Manitoba, 1979	77,700	MULRONEY, Martin Brian, PC, Central Nova, Scotia, 1983	78,347
MAYFIELD, Philip William, REF, Cariboo--Chilcotin, British Columbia, 1993	47,179	MURPHY, Rodney Edward, NDP, Churchill, Manitoba, 1979	28,980
MAZANKOWSKI, Donald Frank, PC, Vegreville, Alberta, 1968	83,250	MURTA, Jack Burnett, PC, Lisgar, Manitoba, 1970	58,050
MCCLEAVE, Robert Jardine, PC, Halifax--East Hants, Nova Scotia, 1968	43,050	NAULT, Robert Daniel, LIB, Kenora--Rainy River, Ontario, 1988	105,868
MCCORMICK, Larry, LIB, Hastings--Frontenac--Lennox and Addington, Ontario, 1993	47,179	NICHOLSON, Aideen, LIB, Trinity, Ontario, 1974	44,250
MCCURDY, Howard Douglas, NDP, Windsor--Walkerville, Ontario, 1984	24,150	NICKERSON, Dave, PC, Western Arctic, Northwest Territories, 1979	25,830
MCDERMID, John Horton, PC, Brampton--Georgetown, Ontario, 1979	77,700	NIELSEN, Erik, PC, Yukon, Yukon, 1968	83,250
MCDONALD, Lynn, NDP, Broadview--Greenwood, Ontario, 1982	17,220	NOBLE, Percy Verner, PC, Grey-Simcoe, Ontario, 1968	43,050
MCDOUGALL, Barbara Jean, PC, St. Paul's, Ontario, 1984	41,400	NOWLAN, John Patrick (Pat), PC, Annapolis Valley, Nova Scotia, 1968	43,725
MCGRATH, James Aloysius, PC, St. John's East, Newfoundland and Labrador, 1968	43,500	NUNZIATA, John V., LIB, York South--Weston, Ontario, 1984	51,750
		NYSTROM, Lorne Edmund, NDP, Yorkton--Melville, Saskatchewan, 1968	86,663

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OBERLE, Frank, PC, Prince George--Peace River, British Columbia, 1972	83,250	RICARD, J.-H.-Théogène, PC, Saint-Hyacinthe, Quebec, 1968	43,050
OLIVIER, Joseph Mario Jacques, LIB, Longueuil, Quebec, 1972	52,200	RIDEOUT, George Saunders, LIB, Moncton, New Brunswick, 1988	26,082
ORANGE, Robert John (Bud), LIB, Northwest Territories, Northwest Territories, 1968	17,220	RIIS, Nelson Andrew, NDP, Kamloops--Shuswap, British Columbia, 1980	51,750
O'REILLY, John Francis, LIB, Victoria--Ha, LIB, Burton, Ontario, 1993	47,179	RITCHIE, William Gordon, PC, Dauphin, Manitoba, 1968	31,570
PAGTAKHAN, Rey D., LIB, Winnipeg North, Manitoba, 1988	105,868	ROBERTS, John (Moody), LIB, York--Simcoe, Ontario, 1968	75,900
PARENT, Gilbert, LIB, St. Catharines, Ontario, 1974	88,425	ROBINSON, Svend Johannes, NDP, Burnaby, British Columbia, 1979	86,663
PARKER, Sidney James, NDP, Kootenay East--Revelstoke, British Columbia, 1980.....	22,540	ROCHE, Douglas James, PC, Edmonton--Strathcona, Alberta, 1972	82,500
PATTERSON, Alexander Bell, PC, Fraser Valley East, British Columbia, 1972	43,050	ROCHELEAU, Yves, BQ, Trois-Rivières, Quebec, 1993	47,179
PENNER, B. Keith, LIB, Thunder Bay, Ontario, 1968	43,725	ROCK, Raymond, LIB, Lachine, Quebec, 1968	28,700
PERIC, Janko, LIB, Cambridge, Ontario, 1993	47,179	ROONEY, Richard David (Dave), LIB, Bonavista--Trinity--Conception, Newfoundland and Labrador, 1972	37,310
PERRAULT, Raymond Joseph, LIB, Burnaby--Seymour, British Columbia, 1968.....	45,000	ROSE, Mark Willson, NDP, Fraser Valley West, British Columbia, 1968	43,050
PETERS, William Arnold, NDP, Timiskaming, Ontario, 1968.....	43,050	ROY, Marcel-Claude, LIB, Laval, Quebec, 1968	43,050
PILLITTERI, Gary Orazio Vincenzo, LIB, Niagara Falls, Ontario, 1993.....	47,179	SAVARD, Pierre Raymond, LIB, Verdun, Quebec, 1977	17,700
PINARD, Yvon, LIB, Drummond, Quebec, 1974	53,250	SCHELLENBERGER, Stanley Kenneth, PC, Wetaskiwin, Alberta, 1972	44,250
PLOURDE, André, PC, Kamouraska--Rivière-du-Loup, Quebec, 1984	27,900	SCHUMACHER, Stanley Stanford, PC, Palliser, Alberta, 1968.....	28,700
PORTELANCE, Arthur, LIB, Gamelin, Quebec, 1968	43,050	SCOTT, Geoffrey Douglas, PC, Hamilton--Wentworth, Ontario, 1978	56,175
POULIN, Fabian Hugh, LIB, Ottawa Centre, Ontario, 1972.....	17,700	SERRÉ, Benoît, LIB, Timiskaming--French River, Ontario, 1993	52,760
PROUD, George Albert, LIB, Hillsborough, Prince Edward Island, 1988	35,880	SHEPHERD, Alexander James, LIB, Durham, Ontario, 1993	52,760
RAILTON, Samuel Victor, LIB, Welland, Ontario, 1972.....	17,700	SIDDON, Thomas Edward, PC, Burnaby--Richmond--Delta, British Columbia, 1978..	83,250
REDWAY, Alan, PC, York East, Ontario, 1984	24,150	SIMMONS, Roger, LIB, Burin--St. George's, Newfoundland and Labrador, 1979.....	20,090
REED, Julian Alexander Arnott, LIB, Halton--Peel, Ontario, 1993	47,179	SKELLY, Raymond John, NDP, Comox--Powell River, British Columbia, 1979	45,080
REID, John Mercer, LIB, -LAB, Kenora--Rainy River, Ontario, 1968	77,100	SOUTHAM, Richard Russell, PC, Qu'Appelle--Moose Mountain, Saskatchewan, 1968	40,180
REID, Joseph Lloyd, PC, St. Catharines, Ontario, 1979	27,000	SPARROW, Barbara Jane (Bobbie), PC, Calgary South, Alberta, 1984	24,150
REIMER, John Henry, PC, Kitchener, Ontario, 1979	45,080	SPELLER, Robert (Bob), LIB, Haldimand--Norfolk, Ontario, 1988	72,271
RICARD, Guy, PC, Laval, Quebec, 1984...	24,150		

Name • Party • Constituency/Province • Year Elected • Annual Pension

SPEYER, Chris, PC, Cambridge, Ontario, 1979	26,550	VANCLIEF, Lyle, LIB, Prince Edward--Hastings, Ontario, 1988	105,868
STACKHOUSE, Reginald Francis, PC, Scarborough East, Ontario, 1972.....	43,500	VANKOUGHNET, William John, PC, Hastings--Frontenac, Ontario, 1979.....	45,080
STANBURY, Robert Douglas George, LIB, York--Scarborough, Ontario, 1968	40,180	VENNE, Pierrette, BQ, Saint-Hubert, Quebec, 1993	47,179
STEVENS, Sinclair McKnight, PC, York--Simcoe, Ontario, 1972	52,500	VÉZINA, Monique, PC, Rimouski-Témiscouata, Quebec, 1984	41,400
STEWART, Christine Susan, LIB, Northumberland, Ontario, 1988	51,480	VINCENT, Pierre H., PC, Trois-Rivières, Quebec, 1984	29,775
STEWART, Donald Craig, PC, Marquette, Manitoba, 1968	31,570	WADDELL, Ian Gardiner, NDP, Vancouver Kingsway, British Columbia, 1979.....	45,080
STEWART, Jane, LIB, Brant, Ontario, 1993	65,257	WALKER, David, LIB, Winnipeg North Centre, Manitoba, 1988	26,082
STEWART, Ronald Alexander, PC, Simcoe South, Ontario, 1979	26,550	WATSON, Ian, LIB, Laprairie, Quebec, 1968	43,050
SYMES, Reginald Cyril, NDP, Sault Ste. Marie, Ontario, 1972	17,220	WAYNE, Elsie Eleanore, PC, Saint John, New Brunswick, 1993	48,812
TARDIF, Alain, LIB, Richmond, Quebec, 1979	25,830	WEATHERHEAD, David Bennington, LIB, Scarborough West, Ontario, 1968	22,960
TAYLOR, Leonard William (Len), NDP, The Battlefords-Meadow Lake, Saskatchewan, 1988	26,082	WEINER, Gérard (Gerry), PC, Dollard, Quebec, 1984	41,400
TESSIER, Claude, LIB, Compton, Quebec, 1974	29,000	WHELAN, Eugene Francis, LIB, Essex, Ontario, 1968	48,750
THACKER, Blaine Allen, PC, Lethbridge--Foot-hills, Alberta, 1979	49,000	WHELAN, Susan, LIB, Essex--Windsor, Ontario, 1993	57,926
THOMAS, J. Antonio, LIB, Maisonneuve, Quebec, 1968	20,090	WHITE, Brian, PC, Dauphin--Swan River, Manitoba, 1984	24,150
TOBIN, Brian Vincent, LIB, Humber--Port au Port-St. Barbe, Newfoundland and Labrador, 1980	84,563	WHITE, Ted, REF, North Vancouver, British Columbia, 1993	47,179
TOLMIE, Donald Ross, LIB, Welland, Ontario, 1968	17,220	WHITTAKER, George H., PC, Okanagan Boundary, British Columbia, 1972	17,220
TREMBLAY, Benoît, PC, Rosemont, Quebec, 1988	26,082	WILSON, Geoff, PC, Swift Current--Maple Creek, Saskatchewan, 1984.....	24,150
TREMBLAY, Marcel R., PC, Québec-Est, Quebec, 1984	27,900	WILSON, Michael Holcombe, PC, Etobicoke Centre, Ontario, 1979.....	77,700
TREMBLAY, Maurice, PC, Lotbinière, Quebec, 1984	24,150	WINEGARD, William C., PC, Guelph, Ontario, 1984	25,088
TREMBLAY, Suzanne, BQ, Rimouski-Témiscouata, Quebec, 1993.....	52,760	WISE, John, PC, Elgin, Ontario, 1972.....	79,875
TURNER, John Napier, LIB, Ottawa--Carleton, Ontario, 1968	82,125	WOOD, Bob, LIB, Nipissing, Ontario, 1988	36,400
VALADE, Georges-J., PC, Sainte-Marie, Quebec, 1968	43,050	YANAKIS, Antonio, LIB, Berthier, Quebec, 1968	43,050
VALCOURT, Bernard, PC, Madawaska--Victoria, New Brunswick, 1984.....	41,400	YEWCHUK, Paul, PC, Athabaska, Alberta, 1968	31,570
VAN DE WALLE, Walter, PC, Pembina, Alberta, 1986	24,150	YOUNG, M. Douglas, LIB, Gloucester, New Brunswick, 1988	44,712

You asked for it...

Health Care Spending on ADMINISTRATION

by Bruce Winchester

Tim, from Fox Valley, Saskatchewan asks:
"We hear a lot about health care costs but I don't remember seeing a mention of how much money of that is spent just running the business. What is the non-medical [administrative] percentage of the costs?"

Everyone agrees that health care costs are rising faster than government revenues, but there is little agreement on how to fix the system so that it remains sustainable. Much of the debate has been limited to finding ways to control costs, and ration services versus finding more money to prop up the status quo. But in raising his question, Tim clearly reminds us that we cannot find a solution to a



by Bruce Winchester
National Research Director

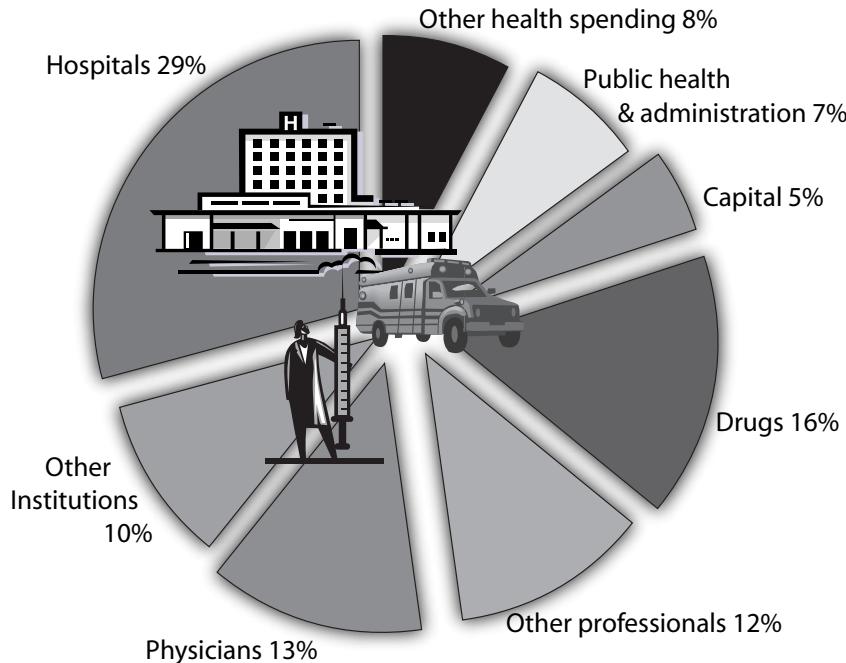
problem – like escalating costs – if we don't understand what's driving these costs.

Each year, the Canadian Institute for Health Information (CIHI), a joint federal-provincial government agency, prepares an overview of Canadian health care. CIHI's reports deal with more than just the cost of health care, but costs are always central in their annual evaluation. Here's what they've found:

Health Care Spending – A Snapshot

- Adjusted for inflation total spending on health care was three times more costly in 2003 than in 1975, up from \$40 billion to \$121 billion.
- Per person health expenditures – Canadian average \$3,839: highest provincial spending – Manitoba at \$3,964; lowest provincial spending – Quebec at \$3,085.
- According to Statistics Canada, in 2003 there were 738,531 people working in the social services and health sector – average wage for these employees \$41,235 per year – Canadian average earnings: \$32,190.
- Average billing by allied health care providers (pharmacists, dentists, technologists): \$96,442 per year.
- Average wages of hospital administrative workers: \$125,058 per year.
- Average billing by physicians – based on full-

2003 Breakdown of Health Spending



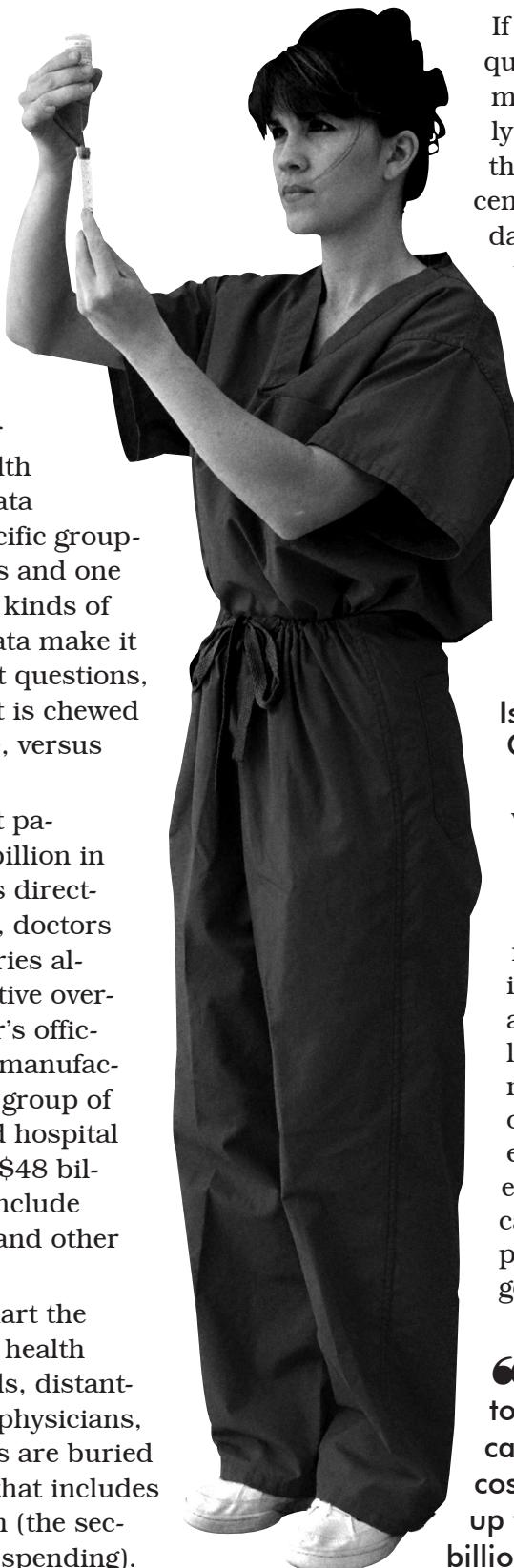
You asked for it...

time equivalents – \$206,260 per year – for family medicine \$178,649; psychiatry \$151,406; cardiac surgery \$394,439; and ophthalmology \$351,252.

CIHI provides data in a number of broad categories, the choice of categories reflect available data and are therefore limited in their precision. Consider the pie chart of 2003 health spending: categories of data collected include five specific groupings, two broad groupings and one catch-all category. These kinds of limitations in available data make it hard to answer important questions, like how much of the cost is chewed up overseeing health care, versus actually delivering it.

In terms of where most patients have contact: \$49 billion in health care spending goes directly to health professionals, doctors and drugs. These categories already include administrative overhead — things like doctor's offices and the whole of drug manufacturing. Then for another group of patients, institutional and hospital care account for another \$48 billion. Again, these costs include administrative overhead and other indirect costs.

According to the pie chart the single largest grouping of health spending are our hospitals, distantly followed by drugs and physicians, while administrative costs are buried within a larger grouping that includes spending on public health (the second smallest grouping of spending).



The Short Answer: \$2.8 billion

If we assume that less than one quarter of public health and administrative costs are purely incurred by administering the system, then about 1.8 per cent of total spending in Canada is for “administration.” If we apply the same ratio to hospitals and other institutions then about \$2.8 billion, that’s 2.3 per cent spent on administrative costs across the system. Trimming health care administration costs might be worthwhile in principle, but the overall impact of these savings would be small at best.

Is Administration Driving Costs?

Many Canadians are adverse to private solutions, in part, because of the often cited red herring of increased administrative costs in the US. Certainly employing highly paid consultants and fattening the upper echelons of management won’t do much to ring more value out of scarce resources. However, the bottom line is that wages and benefits drive health care costs – administration is part of that – but not the biggest part.■

● Adjusted for inflation total spending on health care was three times more costly in 2003 than in 1975, up from \$40 billion to \$121 billion.●

Around the CTF

Each month CTF offices in five provinces and Ottawa handle hundreds of media interviews and inquiries, hold press conferences, publish reports, make presentations to government and issue regular news releases, commentaries and publications to advocate the common interest of taxpayers. CTF representatives also speak at functions and organize major campaigns nationally and in the provinces that lead to public policy change. The following highlights activities for the month of May and June 2004:

MAY

NATIONAL: The CTF kicks off its 6th annual Gas Tax Honesty Campaign featuring a decorated mini-van making its way from Mile 0 of the Trans Canada Highway in Victoria, BC to Parliament Hill in Ottawa. Party leaders in the federal election campaign make their most significant commitments yet to dedicating federal fuel tax revenues to roads and infrastructure.

BRITISH COLUMBIA: The CTF makes a submission to the federal Priddle Panel recommending a lifting of the moratorium on offshore oil and gas exploration off BC's West Coast. Written by Dr. Chris Campbell, the report outlines potential socio-economic benefits.

ALBERTA: The CTF launches a petition campaign to abolish the province's 3% hidden sales tax on auto insurance. Director John Carpay points to the irony of a government concerned about high premiums yet profiting from the same.

ONTARIO: The CTF dubs the McGuinty government's first budget - that introduces new taxes and four years of red ink - 'the Big Lie'. During the provincial election campaign Dalton McGuinty signed a CTF

pledge committing to balance the budget and not raise taxes in the absence of a referendum. The CTF immediately files a lawsuit against the premier and finance minister to uphold the province's *Taxpayer Protection Act*.

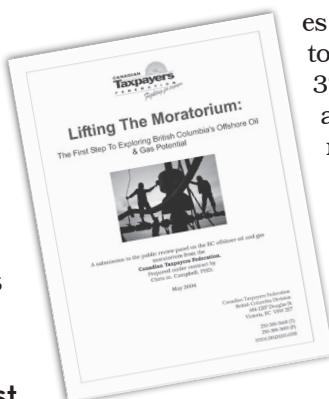
BRITISH COLUMBIA: The CTF makes a presentation to the province's Citizens Assembly on Electoral Reform recommending a mixed voting system that incorporates multi-member ridings. The recommendation is grounded in granting voters greater accountability by weakening party control and strengthening local representation.

MANITOBA: The CTF responds to a leaked report of the Minister of Education Working Group on Education Finance. While director Adrienne Batra applauds CTF-inspired recommendations to reduce the overall property tax burden, she criticizes replacing those savings with increases to the PST without holding a referendum.

JUNE

SASKATCHEWAN: Through Freedom of Information the CTF reveals that moving Saskatchewan Learning offices to a new downtown location cost taxpayers \$6-million. A request for financial justification was denied. Also denied was a

CTF submission recommends the moratorium on West coast oil and gas exploration be lifted.



Around the CTF

CTF request for documentation surrounding economic impact of increasing the PST.

ALBERTA: In response to votes by teachers' unions in both Edmonton and Calgary in favour of going on strike, the CTF issues a statement calling on the Klein government to legislate education as an essential service.

ONTARIO: In its ongoing battle against the McGuinty budget, the CTF holds a *No More Taxes, No More Lies!* rally on the lawn of Queen's Park. Director Tasha Kheiriddin also makes a final appeal before the province's Finance Committee arguing the new tax lacks accountability, will adversely affect taxpayers, prove an unreliable revenue source and is not necessary in light of renewed federal spending commitments. Since the May 18th budget, 170,000 Ontarians have signed the CTF's on-line petition.

FEDERAL: The CTF releases calculations revealing direct taxpayer subsidies to political parties will top \$57-million this election year. This is up from \$20-million in the 2000 election. In addition to candidate and party expense reimbursements the new *Election Act* grants \$1.75 annually for each vote received by a party in the previous election.

NATIONAL: The CTF's "Running on Empty, Fuming to Ottawa" tour ends on Parliament Hill after logging 7,163 kms and stopping in 40 communities. 80,000 taxpayers along with 2,046 mayors and councillors from more than 459 communities signed the CTF's petition demanding federal gas taxes be dedicated to

Activity Report September and October 2007		
Office	Media Interviews	Events/ Speeches/ Letters/Releases/ Reports/Meetings/Etc.
Ottawa	255	34
BC	103	27
Alberta	101	36
Ontario	99	29
Manitoba	80	15
Sask*	18	14
Total	656	155

* New director in place October 15th.

roads. [see full story page 12].

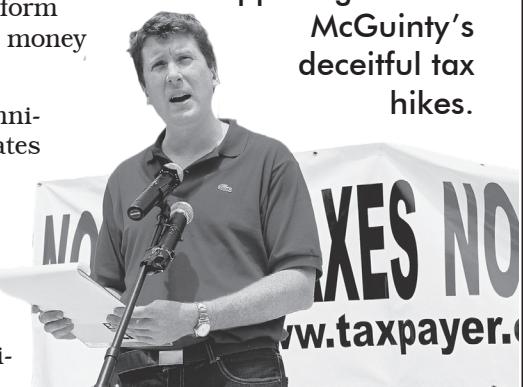
FEDERAL: The CTF releases calculations showing 84 MPs who were either defeated or retired prior to the June 28th vote will collect \$3.6-million in annual pension benefits and another \$3.4-million in severance payouts [see full story page 20].

NATIONAL: On the eve of a federal election it is announced Tax Freedom Day will arrive on June 28th – fully 18 days later than 1993 when the Liberals took office.

ALBERTA: The CTF responds unfavourably to release of the province's Graydon report which recommends a slew of new and increased taxes to fund health care. Director John Carpay vows to fight further tax hikes and criticizes the report for offering no solutions or real reform other than throwing more money at the status quo.

MANITOBA: Seven of Winnipeg's 10 mayoral candidates during a by-election – including the eventual winner Sam Katz – sign a CTF pledge that supports efforts to lower property taxes and gradually reduce the business tax.

Federal director John Williamson addresses a CTF rally at Queen's Park on June 18th opposing Premier McGuinty's deceitful tax hikes.



Alberta retires its debt & BC struggles to balance a budget

The 2003/4 Public Accounts contained little good news for taxpayers. Granted, the actual \$1.3 billion deficit is much lower than the budget estimate of \$2.3 billion, but it's still a long way from balancing the books. Yet, Finance Minister Gary Collins has promised BC has seen the last of its deficits budgets. In fact, he is even forecasting a slim \$100 million surplus for next year. Unfortunately, due to poor planning, taxpayers won't know for sure if the esti-

mated "surplus" actually materializes until after the May 2005 election.

One of the first and commendable actions taken by the Liberal's in 2001 was to implement fixed election dates. However, in their haste (or for those cynics, their foresight), the new government forgot to consider the annual financial cycle when they set the election date. What's wrong with an election in May? Well, the government's fiscal year ends on March 31 and the public accounts, which measure the accuracy of the previous year's budget, are not released until the end of June. Hence, BC will head to the polls before we know how accurate the previous budget was—sound familiar? Flashback to 1996 and the overly optimistic economic 'assumptions' used by the NDP to forecast a "balanced" pre-election budget.

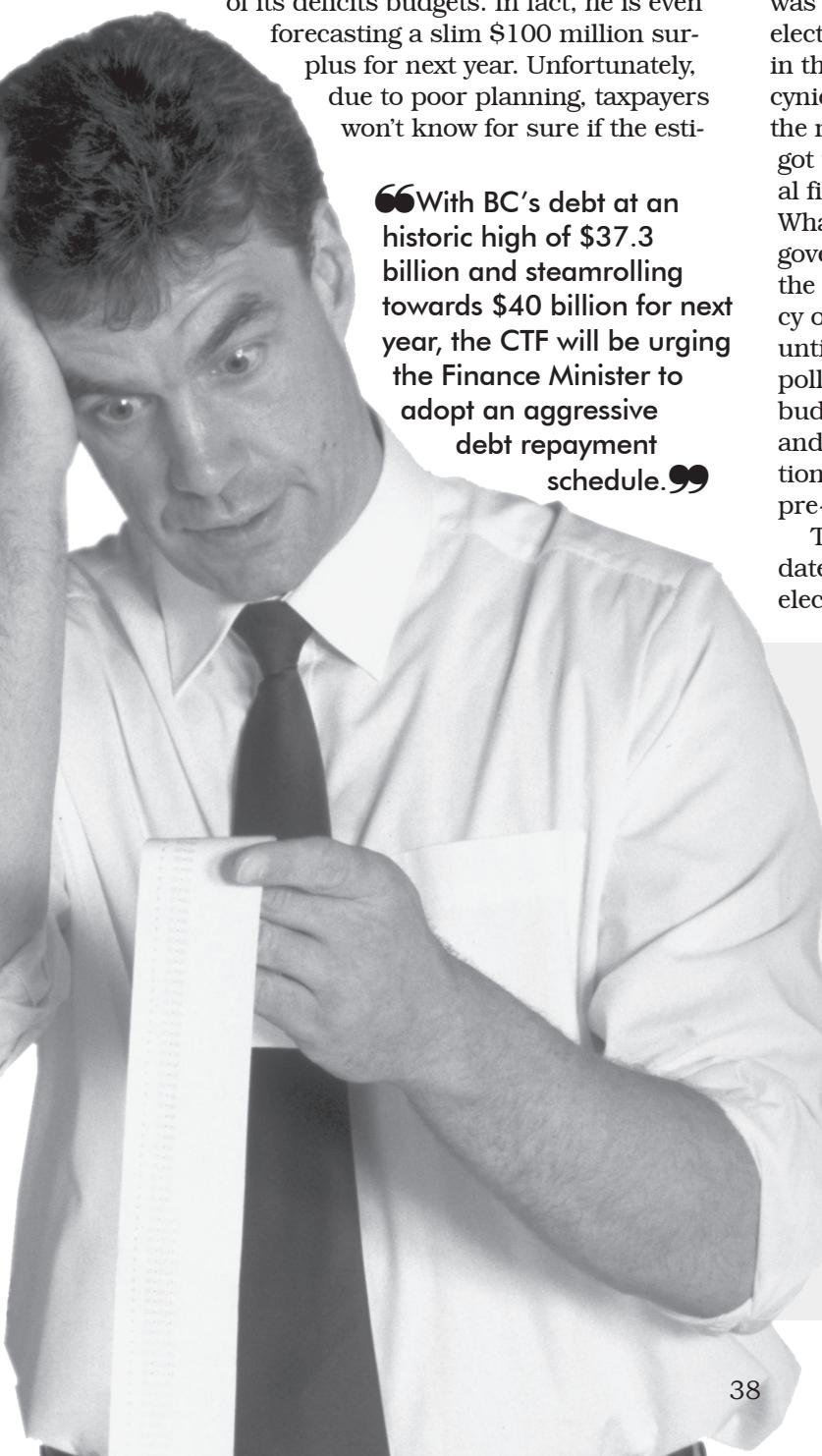
There have been rumblings that the election date will be changed to October, but not for this election. However, judging from Collins' histo-



by **Sara MacIntyre**

British Columbia Director

“With BC's debt at an historic high of \$37.3 billion and steamrolling towards \$40 billion for next year, the CTF will be urging the Finance Minister to adopt an aggressive debt repayment schedule.”



Bye-Bye BC Rail, Hello RAV Line

Politics and transportation projects have always been entangled in BC and the trend continued recently when taxpayers said good riddance to BC Rail and hello to the RAV line. The Federal Competition Bureau finally gave their approval for CN to takeover BC Rail's freight operations. After a century of public subsidies, defaulted loans, asset write-downs and grants, taxpayers can say good bye to BC Rail. Although the complex deal stops short of a complete sale to CN (the province retains ownership of railbeds), taxpayers can breath a sigh of relief as a half billion dollars of BC Rail debt is handed over to CN.

British Columbia

ry of underestimating revenue and economic performance in BC, it is unlikely that next year's public accounts will reveal a deficit but voters can't be sure until after they cast their ballot.

So, we are back to the convenient budget surplus for the 2005 election and the Finance Minister's invitation for spending requests. With BC's debt at an historic high of \$37.3 billion and steamrolling to-

wards \$40 billion for next year, the CTF will be urging the Finance Minister to adopt an aggressive debt repayment schedule. BC should be following Alberta's example by restraining spending, setting debt targets and staying the course. Balancing the budget is only one small step to BC's financial recovery; long term financial health will require a sustained and ambitious debt repayment plan.■

Giving credit, where credit is due

Last month a federal advisory group, the National Council of Welfare, released its annual report which harshly and unfairly criticized "the decision of British Columbia to put time limits on the receipt of welfare." In fact, with great disappointment, the provincial government caved on its proposed welfare time limits and included twenty-five exceptions that rendered the limits null and void. Even the most ardent critics of BC's welfare reform claimed the exceptions as a victory.

The report's unjustified condemnation of BC's welfare program is not its only flaw. It also

misuses and misrepresents data put out by Statistics Canada to bolster its claim that welfare rates in Canada are "punitive and cruel." However, the inaccuracies and dishonesty of the Council's report is not what should outrage taxpayers.

Rather, what is most offensive is that this group is entirely funded by taxpayers. In its twenty five years it has provided no public service or good, has failed to accurately measure poverty in Canada, to provide any constructive solutions and has basically operated as a lobby group. The National Council of Welfare has outlived its use-

fulness and its objectivity. For the welfare of all taxpayers, the CTF has called for the council's disbandment.■



Now we can focus on the RAV line.

After several starts and stops, the proposed Richmond-Airport-Vancouver (RAV) rapid transit line moved ahead to the final offer stage of the tendering process. The regional transportation board, Translink, had voted twice to kill the project. On the third vote, however, Councillor Barb Sharpe included a motion to cap public funding to the previously committed \$1.35 billion and the board voted to move the process forward.

The project is supposed to be a public-private-partnership (P3) where the private sector partner accepts the risk for construction cost overruns and is penalized if the project is not completed on schedule. However, because no partner or offer has been finalized there is still speculation of how much risk Translink or the province [read: taxpayers] will assume. If the project operates like a true P3 and is free of political meddling, taxpayers have nothing to fear, cost overruns will be paid by the private partner and the project will be on time and budget. The CTF will be closely monitoring each phase of the RAV line project to make sure BC's biggest infrastructure project doesn't become BC's biggest fiasco.■

In May, the BC office made a submission to the Public Review Panel of the Federal Moratorium on Oil and Gas Activities Offshore British Columbia, referred to as the Priddle Panel. The submission was prepared by Dr. Chris Campbell, an expert on the socio-economic benefits of the offshore oil and gas industry in Newfoundland, and calls for the moratorium to be lifted. The full text submission can be downloaded off the Canadian Taxpayers Federation's main website at: www.taxpayer.com or by contacting the BC office at (250) 388-3660.■

The Graydon Report on Health Care Funding:

A recipe for more provincial tax increases

The Graydon Report on Health Care Funding is a recipe for more tax increases, without any substantive reforms to give patients better quality health care.

This report of the task force chaired by MLA Gordon Graydon was completed in 2002 but kept secret from taxpayers until June of 2004. This report correctly points out that government spending on its health care monopoly is growing much, much faster than Alberta's combined inflation and population growth. The Alberta government's spending on health care is up from \$4 billion in 1996 to \$8.7 billion in 2004. This 118% spending increase since 1996 far exceeds Alberta's 17% population growth and 22% cumulative inflation since 1996. As a percentage of the provincial budget, health care consumed 25% of program spending in 1988, compared to 38% today, and is expected to reach 50% by 2008. The Graydon Report cites new drugs, new technology, high public sector wages and an aging population as factors contributing to these rising costs. Premier Klein and his ministers complain about how "unsustainable" these trends are, but continue to throw more and more tax dollars at the government monopoly.

Rising health care costs should come as no surprise to anyone, considering that there is an infinite demand for more, faster, and better health care. When a public sector monopo-

ly tries to meet an infinite demand, it inevitably consumes more and more tax dollars. Determined to think inside the box, Mr. Graydon and his Tory colleagues ask Premier Klein to consider four different tax increases. First, raise Alberta's provincial income tax from 10% to 12%. Second, double the health care premium tax from \$1,056 per family per year to \$2,112. Third, give Regional Health Authorities more taxing powers. Fourth, charge patients a "health care deductible" for using the system, in addition to the health care premium tax and other provincial taxes they already pay.

Of these four proposals, only the fourth one creates a link between using the health care system and paying for its use. But even this proposal, like the first three, does not provide patients with choice to get treatment outside of the government's health care monopoly. Charging a "health care deductible" merely forces middle- and higher-income Albertans to pay even more taxes for the same government monopoly. This is unfair because Albertans who earn more money already pay the bulk of Alberta's business, property, income and other taxes.

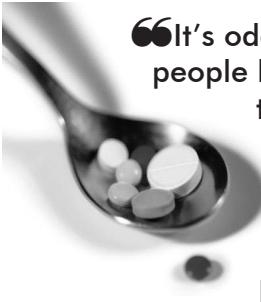
Premier Klein already raised taxes "for health care" in 2002, even though rev-



by John Carpay
Alberta Director



“Determined to think inside the box, Mr. Graydon and his Tory colleagues ask Premier Klein to consider four different tax increases. First, raise Alberta's provincial income tax from 10% to 12%. Second, double the health care premium tax from \$1,056 per family per year to \$2,112. Third ...”



“It’s odd – and very unjust – that people have unlimited freedom to spend their money as they please on clothing, food, tobacco, alcohol, houses, cars, and holidays . . . but not health care.”

enues from the health care premium tax flow into General Revenues like every other provincial tax. Rather than raise taxes again, the federal and provincial governments should allow Canadians to spend their own money on health care outside of the government’s monopoly. It’s odd – and very unjust – that people have unlimited freedom to spend their money as they please on clothing, food, tobacco, alcohol, houses, cars, and holidays . . . but not health care.

Canadians should have the right to spend their own money – the 51% left over after three levels of government have taken 49% – on the health care services of their choice. But instead, Canadians are suffering and dying on waiting lists in a health care system which ranks a mere 30th place, according to the World Health Organization. France, Germany, Singapore, Australia and other countries with better health care than Canada have a parallel private system which co-exists alongside the public system. Canada should follow their example. Surely we can do better than 30th place. Waiting lists –

and other failures of Canada’s health care system – are the direct result of a limited supply, whether of doctors, hospital beds, equipment, etc. Increasing supply by allowing a parallel private system will do far more to address the bottleneck of backlogs in surgeries and procedures than “innovative” tax increases.

Premier Klein should reject the tax increases recommended in the Graydon Report. Rather than raising taxes again, he should challenge the *Canada Health Act*, promote the development of a parallel private system, and give Albertans the freedom to spend their own money on the health care of their choosing.■

Billions in over-taxation

Release of the Alberta government’s Annual Report for the 2003-04 fiscal year once again reveals billions in over-taxation, sometimes called a “surplus” by politicians who think this money actually belongs to them.

In the fiscal year ending March 31, 2004, the Alberta government took in a total of \$25.9 billion in revenues – including oil and gas royalties. That works out to about \$8,000 for every man, woman and child in Alberta. Spending on government programs was \$21.9 billion. The “surplus” or over-taxation works out to \$4 billion, which is about \$1,250 for every man, woman and child in Alberta.

With this much revenue flowing into government coffers, isn’t it time that Premier Klein reversed the tax increases he imposed in 2002?■

Take action today

Call the Premier -- and your MLA



Tell Premier Klein that Albertans deserve real health care reform, not more tax increases. Tell him to reject all four tax increases recommended in the Graydon Report. In Edmonton, call 427-2251. Outside of Edmonton call 310-0000 toll-free, and ask to be connected to Premier Klein’s office. To call your MLA, call 310-0000 and ask to be connected to his/her office. If you don’t know who your MLA is, the 310-0000 operator will be able to tell you, based on your street address.

“Reform health care, don’t raise taxes” is the CTF’s message to Premier Klein in a new petition campaign. In addition to calling the premier’s office and your MLA, you can sign the petition on-line at www.taxpayer.com or request a copy from the CTF’s Edmonton office by calling 780-448-0159.■

Saskatchewan Alberta debt slain

It's official. The Alberta government has slain its public debt – and they did it nine years ahead of schedule. For Saskatchewan taxpayers, the dream of debt freedom will not be achieved in our lifetimes – perhaps never at all.

The current financial freedom enjoyed by Alberta is a great example to follow for Saskatchewan politicians. At least, that should be the case. But we can already hear the dismissive complaints from the Saskatchewan government: "Alberta is debt free because they have all that oil."

This is only partly true. Yes, Alberta is experiencing historically high oil and gas revenues. That said, you can't ignore the major changes and tough measures implemented during Ralph Klein's heydays in the early 1990s. Also remember that oil and gas reserves do not stop at the Alberta-Saskatchewan border. The fact that Alberta's oil and gas development is light years ahead of Saskatchewan's has everything to do with government policy.

Alberta has created an environment where oil and gas companies can make a rea-

sonable profit when energy prices are at the lower end of their cycle. Saskatchewan hasn't.

In the 1980s Albertans were burned by massive government investments in waste treatment facilities, pulp mills and technology companies (sound familiar?). When Ralph Klein

came to power he proclaimed the Alberta government was no longer "in the business of being in business."

Alberta also passed legislation that made running deficits illegal – laws that help hold the government's feet to the fire. The law kicked in when the events of September 11, 2001 caused a downturn in the North American economy. Finance Minister Pat Nelson implemented immediate across-the-board spending reductions to keep the budget in the black. In contrast, the Saskatchewan government increased spending.

To cap it all off, Alberta enacted a 25-year debt repayment schedule. There is no such thing in Saskatchewan.

Saskatchewan and Alberta worlds apart – and not just because of oil

At the end of the 1980s the two provinces were in similar positions – sky rocketing debt and stagnant economies. Alberta

made changes to the way their

government operates. Sas-

katchewan didn't change anything at all.

Saskatchewan's fiscal and economic policies remain largely unchanged since the days of Tommy Douglas. The result of our archaic government policies is predictable -- a growing provincial debt (\$14.5 billion), an under-developed oil patch, a stagnant economy and a declining population.

The Saskatchewan government needs to take heed, but keep in mind that Alberta didn't change until the people demanded it. ■

Alberta has created an environment where oil and gas companies can make a reasonable profit when energy prices are at the lower end of their cycle. Saskatchewan hasn't. ■



by David MacLean
Saskatchewan Director

Saskatchewan Government refuses to disclose impact of PST hike

The Saskatchewan government is invoking clauses in Freedom of Information legislation to stop the Canadian Taxpayers Federation (CTF) from accessing internal government documents regarding the potential economic impact of increasing the provincial sales tax (PST).

The government refused to disclose their analysis on the grounds that it is considered advice to cabinet. That's right – you own the government, your money pays bureaucrat salaries, but this government says



you don't have the right to see the work they did when they decided to raise your taxes.

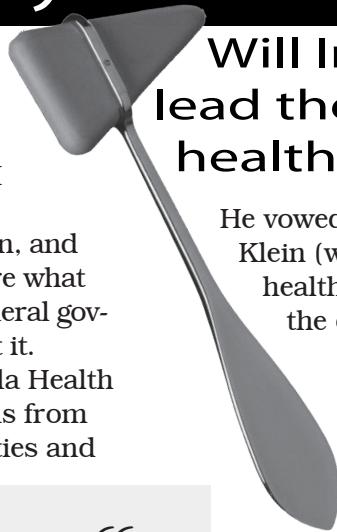
If the government knew before the budget – or knows today – how the PST hike will effect the people of Saskatchewan, it has a moral obligation to make this information public.

Your CTF has filed a complaint with the Information Commissioner to have this information disclosed. We'll keep you posted.■

Politically correct private health care

The Muskeg Lake Cree Nation wants to build a private MRI clinic on an urban reserve in Saskatchewan, and they don't seem to care what the provincial and federal governments think about it.

The archaic Canada Health Act forbids Canadians from building health facilities and charging a fee for their use. It was all the rage during the recent federal election campaign when a dogmatic Paul Martin repeatedly vowed his undying commitment to the state monopoly on health care.



Will Indian reserves lead the way on health reform?

He vowed to look Ralph Klein (with his maniacal health reform ideas) in the eye and say "no".

Ralph Klein is one thing, but Muskeg Lake Cree Nation is quite another. The federal government is

powerless when it comes to aboriginal communities. The Indian Act overrides the Canada Health Act, meaning that Indian bands are free to build a private hospital on a reserve if they so choose. This freedom is not available to the rest of Canadians.

“It’s a disgrace that the laws of the land are not applied evenly across the country, and this issue provides yet another reason to scrap the Indian Act.”

Of course, it's a disgrace that the laws of the land are not applied evenly across the country, and this issue provides yet another reason to scrap the Indian Act. But there may be a silver lining to all of this.

A recent national survey indicates that two-thirds of Canadians support private delivery of health services. Perhaps the folks at Muskeg Lake Cree Nation can build their private clinic that would serve as an example of how private operators can compliment the public health system.

It appears the only road-block could be Saskatchewan's old-school NDP government.

We say give it a chance. In the mean time, change the Canada Health Act to give this freedom to every Canadian.■

Provincial Auditor

Gives NDP government a black eye

Scandalous is the only word that aptly describes what happened at a Winnipeg based, taxpayer-funded home for disabled adults and children. Hydra House Ltd., a for-profit agency that provides programs and services to those living with a disability, is now mired in scandal thanks to some irresponsible executives who wasted over one million taxpayer's dollars. In a 69-page document outlining the gross mismanagement and frivolous spending by Hydra execs, Manitoba's Auditor Jon Singleton delivered the NDP government a major blow for the lack of an accountability framework for the Department of Family Services and Housing, which provides funding to Hydra House.

In his report which covered a five-year period from April 1997 to March 2002, Mr. Singleton uncovered over one million public dollars that were misappropriated courtesy of Hydra executives who spent lavishly on personal vehicles and bonuses. Amongst the findings, one staff member was paid \$379,000 over a six-year period with no indication as to what this individual's job actually was, executives gave themselves bonuses of more than \$237,000 which was not reported to the CCRA, two Cadillacs worth over \$80,000 and thousands more spent on trips to Florida.

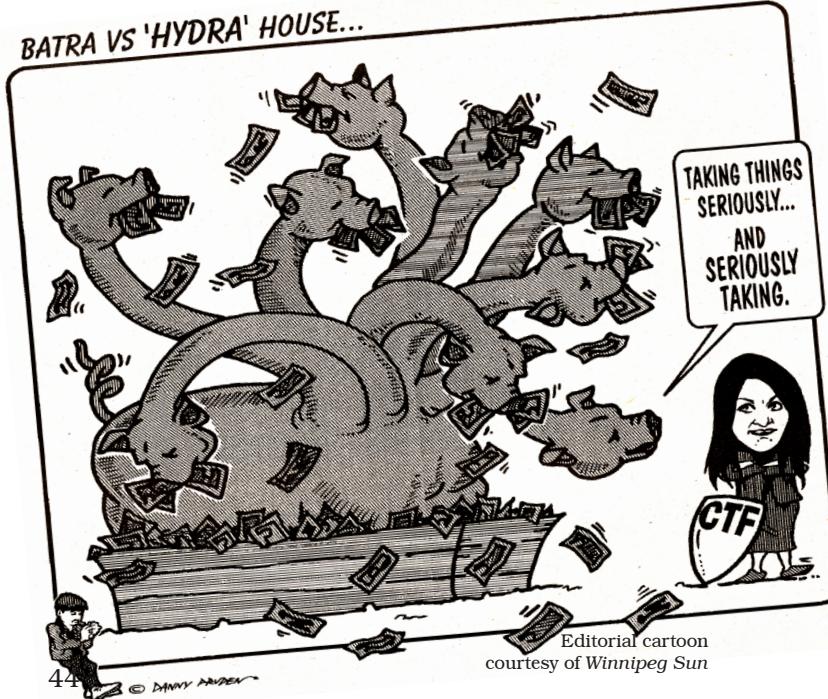
What is perhaps the most alarming aspect of the Hydra House file is there were previous reports of misuse of funds, which the government sat on. In his own words Mr. Singleton stated to the *Winnipeg Free*

Press: "in 1999 we did a review of Child and Family Services and noted then the weaknesses in control over external agencies. There has been virtually nothing done since then."

Following the release of the report and in typical reactionary-government fashion, the Minister responsible came out with a five-point plan to adopt the auditor's recommendations and has forwarded all the information to the Public Prosecution Branch of Manitoba Justice. Although the CTF is pleased with the acknowledgement that something went awry at Hydra House, it still does not absolve the current, or the former Minister from responsibility. Opposition Leader Stuart Murray has called for a special meeting of the Legislature's Public Accounts Committee to question those connected with the abuse of public dollars. This is an effective means to get to the root of the problem.

The CTF supports all of the auditor's recommendations to implement a policy framework to ensure Hydra financial statements include a separate statement of administrative expenses and for the province to seek legal advice as to whether it can take action to recuperate taxpayer's money that was not used for Hydra residents. ■

**Do you have concerns with how the province handled Hydra House?
Please call 204-945-8137.**



Manitoba

**Winnipeg
on the**

Rise

Despite the election overload Winnipeggers were faced with, on a sunny day in June former mayor Glen Murray's legacy came to a resounding end.

Voters overwhelmingly rejected the tax and spender's reign by placing their "X" beside Sam Katz's name. With nearly a 59 per cent voter turnout, the second highest in the city's history, Goldeyes owner Katz walked away with 42 per cent of the popular vote.

During the course of what some dubbed a boring campaign, the CTF challenged all of the mayoral candidates to sign a pledge committing to hold the line on property taxes and begin the phase out of the municipal business tax. Without missing a beat, Mr. Katz (and six other candidates) agreed to sign on, explicitly signalling he can be counted on to act responsibly in government and protect the interests of taxpayers.

The only leading candidate that refused to sign the CTF's pledge was Dan Vandal, a Glen Murray apologist that made the mistake of running on Mr. Murray's record stating that he would like to maintain the course of what the previous administration had started. To taxpayers that meant millions on the True North Centre, street parties, potholes galore, high property and business taxes and of course, the now infamous million-dollar toilet.

Mr. Vandal chastised the other candidates for signing the CTF's pledge which was not too surprising consider-

ing his voting record as a tax-loving interventionist, blissfully unaware that the current regressive system was not working. Getting rid of the business tax will not only put downward pressure on out-migration

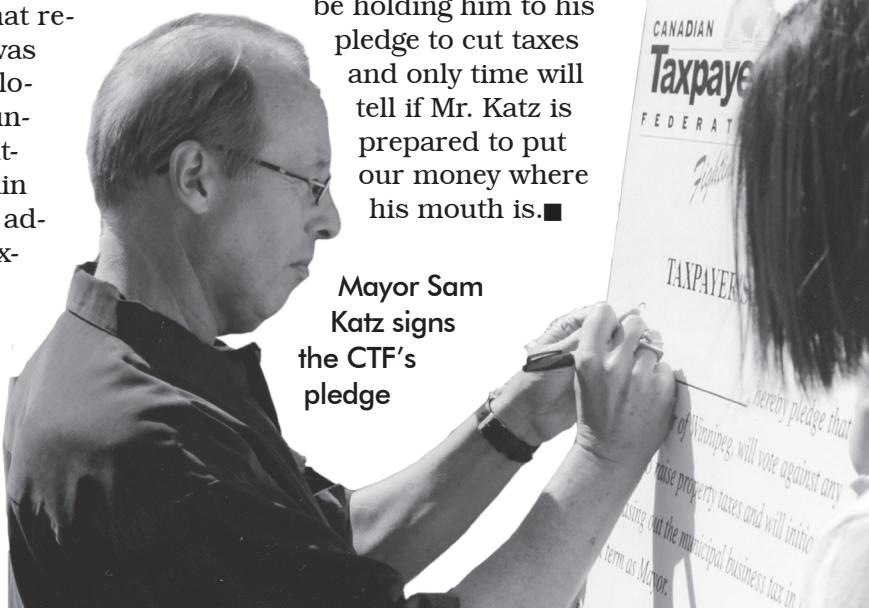
and help stimulate the economy, it would give Winnipeg businesses a competitive advantage. Unfortunately these logical arguments were lost on Mr. Vandal who sought economic advice from the tax and spend Canadian Centre for Policy Alternatives. Thankfully, Mr. Katz recognized the need for change.

Throughout the campaign he repeatedly reminded voters that he was not a career politician but has been around the block enough to know that in order to get things done, you need some political acumen. This strategy clearly worked considering the staggering support he received. The owner of the Northern League baseball team has had both success and defeats in his business career. His accomplishment with the development of CanWest Global Park can only bode well for the future of Winnipeg's business community — who are the ones creating jobs.

There are high expectations on Mr. Katz as the new Mayor of Winnipeg. Your CTF will be holding him to his pledge to cut taxes and only time will tell if Mr. Katz is prepared to put our money where his mouth is. ■



by **Adrienne
Batra**
Manitoba Director



**Mayor Sam
Katz signs
the CTF's
pledge**

Health Tax HITS

Home **A**s of July 1, the government began deducting its controversial new health tax from Ontarians' paycheques. The amount of tax deducted ranges from \$300 a year on an income of \$25,000 to \$900 for incomes over \$72,000. (A regressive situation, where a taxpayer earning \$25,000 will see his total tax bill rise 18%, while a person earning income of \$72,000 will pay 3% more tax than the year before).

An average Ontario family of four, with two income earners making just over \$60,000 a year, will see fifty dollars less in its pocket every month. That's one fewer pair of shoes for the kids, one fewer bag of groceries in the kitchen, or one fewer night out for the family at the movies. Over the course of the year the new tax represents \$600 less for that family to spend, save or invest – something that will be noticed every time taxpayers bring home their pay.

As if the amounts involved weren't bad enough, the health levy leaves taxpayers feeling sick to their stomachs for a number of other reasons. First, the tax is collected – and therefore hidden – in general revenues, both on pay stubs and in government ledgers. As a result, taxpayers have no way of knowing exactly how much they are paying or where the money is going. It will be impossible to know whether the amount collected has any impact on the health care system – or is even spent there at all.

Second, the tax is also applied to people who won't benefit from it. Taxpayers who work in Ontario but live out of province (mostly in Quebec, in the national capital region) will pay the tax even though they don't use the Ontario health system. While they can claim a refund at the end of the year, this means the government gets an interest-free loan at taxpayer ex-

pense. It also means the government can't predict how much tax it will collect, since part of it will have to be paid back. Military personnel who don't use the public health system will also pay the tax, but inexplicably will not receive a refund.

Finally, the tax is vulnerable to legal challenge. Not only is the CTF suing the premier, finance minister and government over imposition of the tax without a referendum, but powerful unions are threatening to sue. They argue that 15-year-old clauses in public servants' contracts require the government to pay their health premiums. The clauses affect hundreds of thousands of employees in the Ontario Public Service Employees Union and the Canadian Union of Public Employees. Ironically, the government has stopped calling the health levy a "premium" and is now directly referring to it as a tax, to try and avoid responsibility for paying it.

McGuinty's Nuclear Bomb

As if the health tax wasn't bad news enough, on July 6th, Energy Minister Dwight Duncan announced the government would plow \$1 billion into restarting a reactor at the debt-ridden Pickering nuclear power plant. This decision forms part of the government's strategy to restructure Ontario Power Generation (OPG) and Hy-



dro One, where mismanagement and cushy consulting contracts made front-page news last fall.

To date, the results of Ontario's decades-old nuclear experiment are bleak: seven mothballed reactors and a \$30 billion stranded hydro debt. The tab for refurbishing the four Pickering reactors is estimated at \$4 billion, more than \$3 billion higher than originally projected. Just last December, three top OPG executives resigned when it was revealed that repairs at the plant were years behind and billions of dollars over budget. Even in a properly managed system, the long-term economic viability of nuclear power is questionable, since permanent disposal mechanisms for nuclear waste are still on the drawing board and the cost of storing nuclear by-products is extremely high.

Unfortunately for taxpayers, closing coal plants and increasing reliance on nuclear power is one election promise the premier seems determined to keep. This, despite the fact that



by Tasha Kheiriddin
Ontario Director

coal provides the cheapest source of power and 25% of the province's electricity. Taxpayers are already paying higher prices since the province's electricity price cap was lifted April 1; shutting down Ontario's five existing plants will hit them even harder in the pocketbook. Upgrading Ontario's coal plants and building new ones with tougher emission controls would be the more intelligent choice, but there's no sign the government is headed in that direction.

A Taxing Computer Crisis

In July, taxpayers got another nasty shock when it was reported the province's computer systems were incapable of calculating new increases to welfare and disability payments without \$10 million in upgrades and testing. Media reports also revealed that last year the systems had to be shut down for 16 days, costing taxpayers \$2 million in lost productivity by government workers.

These bills are even more disturbing in light of the millions taxpayers paid to install the systems in the first place. In 1997, the former conservative government awarded a \$180-million contract to Accenture Inc. (formerly Andersen Consulting) to overhaul its technology with a view to curbing welfare cheats. Accenture was eventually paid \$284 million and then signed another \$32 million contract to maintain and operate the system. Apparently, the company never tested the system to determine whether it could calculate an increase to the benefits being paid.

While common sense dictates that Accenture should bear the cost of fixing the problem, its chairman Dave Seibel defended the contract and demanded that the government cough up an additional "repair bill" of \$1.3 million. Sadly for taxpayers, there is still no word on what action the government intends to take, as Provincial Social Services Minister Sandra Putatello was away on holiday and could not be reached for comment. ■

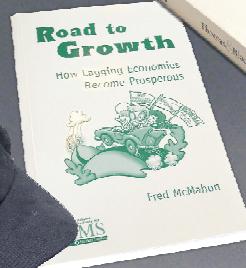
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That's one fewer pair of shoes for the kids, one fewer bag of groceries in the kitchen, or one fewer night out for the family at the movies. ■

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